BOARD OF DIRECTORS
WORK SESSION AND REGULAR MEETING

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
100 MUNICIPAL DRIVE
TROPHY CLUB, TEXAS 76262

Wednesday, August 19, 2026	6:00 P.M.	Svore Municipal Boardroom

WORK SESSION AND REGULAR MEETING AGENDA PACKET

VIA VIDEOCONFERENCE - THE PRESIDING OFFICER AND A QUORUM OF THE BOARD OF DIRECTORS WILL BE PHYSICALLY PRESENT AT, AND MEMBERS OF THE PUBLIC MAY ATTEND THE MEETING AT THE LOCATION SPECIFIED ABOVE. PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.127, ON A REGULAR, NON-EMERGENCY BASIS, UP TO TWO DIRECTORS' MAY ATTEND AND PARTICIPATE IN THE MEETING REMOTELY BY VIDEOCONFERENCE. SHOULD THAT OCCUR, A QUORUM OF THE MEMBERS WILL BE PHYSICALLY PRESENT AT THE LOCATION NOTED ABOVE ON THIS AGENDA.

CALL WORK SESSION TO ORDER AND ANNOUNCE A QUORUM

1. Discussion and review of FY 2027 draft budget.

ADJOURN WORK SESSION

REGULAR BOARD MEETING

CALL TO ORDER AND ANNOUNCE A QUORUM

CITIZEN COMMENTS

This is an opportunity for citizens to address the Board on any matter whether or not it is posted on the agenda. The Board is not permitted to take action on or discuss any comments made to the Board at this time concerning an item not listed on the agenda. The Board will hear comments on specific agenda items prior to the Board addressing those items. You may speak up to four (4) minutes or the time limit determined by the President or presiding officer. To speak during this item, you must complete the Speaker's form that includes the topic(s) of your statement. Citizen Comments should be limited to matters over which the Board has authority.

REPORTS & UPDATES

1. Monthly Staff Reports
   a. Monthly Capital Improvement Projects
   b. Monthly Operations Reports
   c. Monthly Finance Reports

attachments: Monthly Staff Reports

CONSENT AGENDA

All matters listed as Consent Agenda are considered to be routine by the Board of Directors and will be enacted by one motion. There will not be a separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

2. Consider and act to approve the Consent Agenda.
   a. July 15, 2026, Meeting Minutes

   attachments: Meeting Minutes

REGULAR SESSION

3. Discussion and possible action regarding rate assumptions and projections for FY2027 budget.

4. Consider and act regarding tax rates for 2026 tax year:
   a. Approve proposed tax rate for 2026 tax year; and
   b. Schedule date and authorize publication of notice for hearing regarding adoption of final tax rates for 2026 tax year.

   attachments: Proposed Tax Rate

5. Consider and act regarding banking and depository matters: Depository Pledge Agreement with Prosperity Bank.

   attachments: Depository Pledge Agreement

6. Discussion regarding proposed data center in the Town of Westlake. (KC)

7. Discussion and possible action regarding District real property located at 1501 Junction Way.
   a. Transfer of property (JT/NT)
   b. Commercial Lease Agreement
   c. Property Improvements

   attachments: Commercial Lease Agreement
   Requested Property Improvements

EXECUTIVE SESSION

8. Pursuant to Section 551.071 of the Texas Open Meetings Act, the Board will convene in executive (closed) session to consult with its attorney on a matter in which the duty of the attorney to the Governmental Body under the Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act or to seek advice of counsel on legal matters involving

pending or contemplated litigation or settlement offers: Determination of District and Water System Assets.

9. Pursuant to Section 551.072 of the Texas Open Meetings Act, the Board will convene in executive (closed) session regarding the purchase, exchange, lease, or value of real property when deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person: District and Water System Assets.

10. Pursuant to Section 551.074 of the Texas Government Code (Personnel), the Board will convene into executive (closed) session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: General Manager.

11. Pursuant to Section 551.089 of the Texas Government Code, the Board may deliberate regarding the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices.

REGULAR SESSION

12. Consider and act to take any necessary actions as a result of executive session items.

FUTURE AGENDA ITEMS

Board Members may provide requests for discussion items for a future agenda in accordance with the board's approved bylaws. No further discussion will be held related to topics proposed until they are posted on a future agenda in accordance with the Texas Open Meetings Act

13. Items for future agendas:

14. Set next meeting date: September 16, 2026

    attachment: September Meeting Calendar

ADJOURN

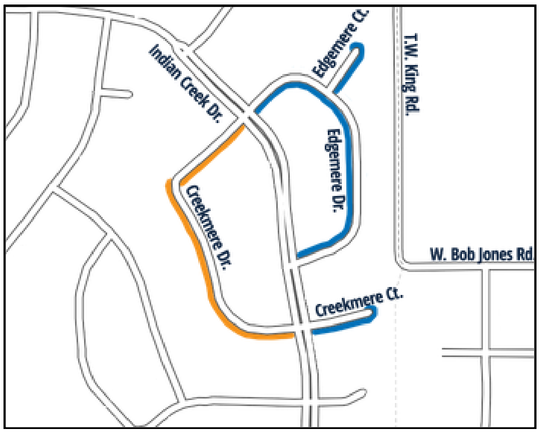
Capital Improvement Projects

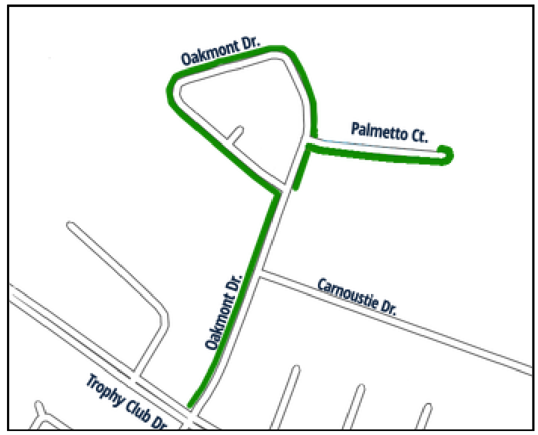
August 2026

BUILD

FY26 Water Line Replacement

Oakmont Dr | Creekmere Dr/Ct | Edgemere Dr/Ct

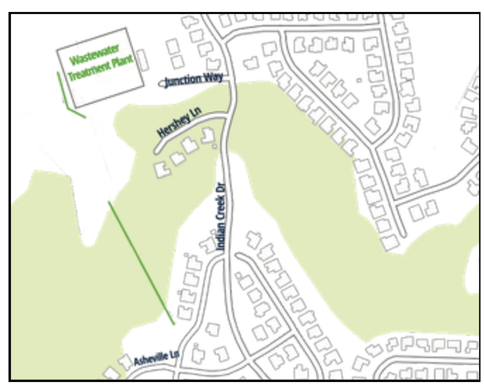




IN PROGRESS NEAR COMPLETION COMPLETED

- The new water line has been installed on Oakmont Dr and connected to homes
- New sod is in place and temporary lines and paving have been removed
- Crews are staging equipment along Creekmere Dr
- They are potholing and beginning to lay the temporary line
- Monthly updates are being posted at www.tcmud.org/water_projects

Wastewater Line Rehabilitation Project



- District staff recently met with Dickerson Construction
- Work is tentatively scheduled for Sept - Nov pending coordination with the golf course
- The golf course section will be pipe burst
- A temporary bypass line will be used during the project so the work will not disrupt wastewater service

PLAN DESIGN BUILD COMPLETE

TROPHY CLUB MUNICIPAL UTILITY DISTRICT No. 1

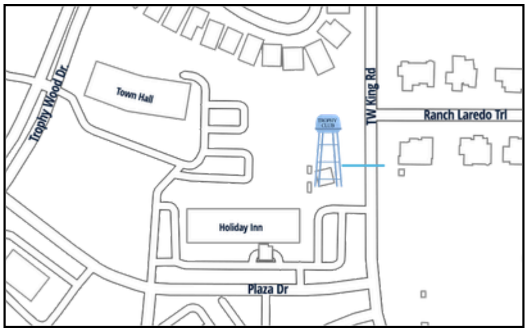
DESIGN

FY26 Wastewater Line Repairs

Basin 11 & 1A

- Basin 11 & 1A wastewater collection system:
  - 10 point repairs will begin the week of Aug. 17
  - 26 manhole repairs/rehabilitation are complete
- The issues were identified during the FY26 annual wastewater system analysis

Emergency Connection via Southlake water system



- We expect to see a conceptual design in Sept.
- The design will be reviewed by the cities of Fort Worth and Southlake as well as TCEQ
- A draft Interlocal Agreement will follow

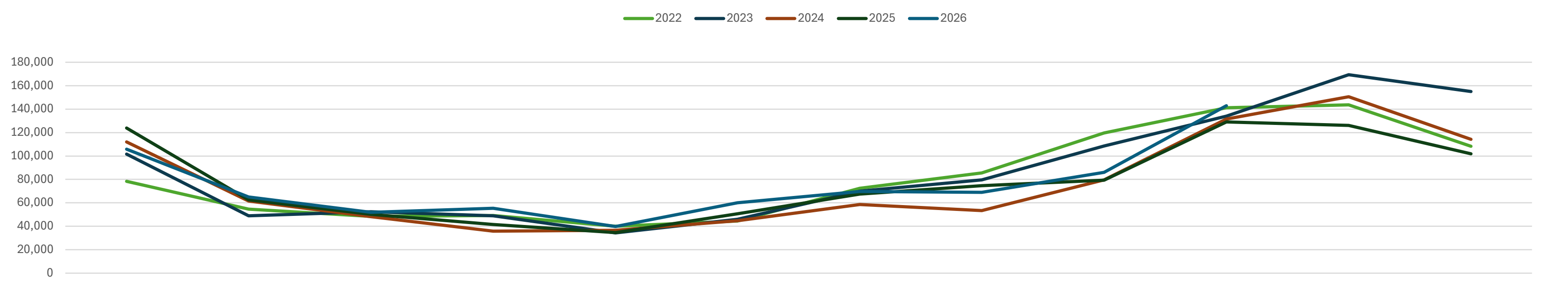
PLAN

Water Meter End Point Upgrades

- The District is upgrading 5,125 water meter “end points” from drive-by radio technology to cellular enabled technology
- The new end points will transmit data safely over mobile phone networks and be an efficiency tool for both residents and staff alike
- Water use can be viewed through a secure online portal
- It will also send alerts for continuous flow to notify users of potential leaks

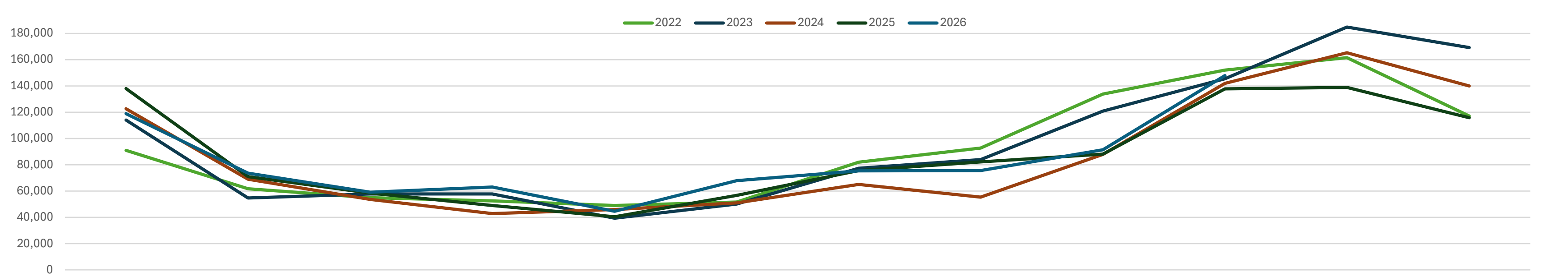
PLAN DESIGN BUILD COMPLETE

Water Billed



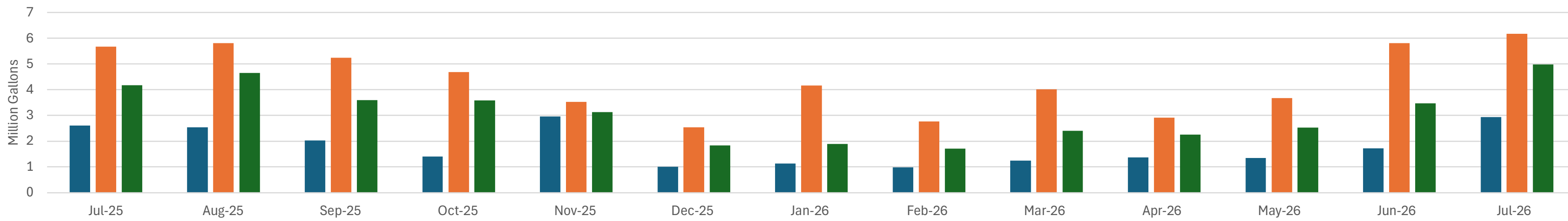
FY	October	November	December	January	February	March	April	May	June	July	August	September	Total Year
2017	74,785	68,638	38,580	33,028	38,380	60,841	56,683	86,794	98,864	95,355	104,303	99,541	855,792
2018	83,228	69,099	48,144	34,592	40,658	43,411	60,079	89,802	118,899	126,588	125,531	73,735	913,766
2019	47,193	41,933	36,244	34,604	33,740	40,421	55,970	42,773	70,747	96,174	131,472	114,784	746,055
2020	102,150	40,988	43,946	36,418	31,000	34,047	53,755	67,030	96,195	123,309	118,522	83,570	830,930
2021	98,232	57,380	40,841	42,725	40,786	41,078	67,776	50,736	64,195	100,853	97,864	112,674	815,140
2022	78,390	54,635	48,488	49,322	40,021	44,588	72,448	85,474	119,711	141,177	143,845	108,377	986,476
2023	101,683	49,007	52,466	49,082	34,501	46,119	70,083	79,654	108,707	134,083	169,549	154,971	1,049,905
2024	112,006	61,555	48,355	35,861	36,716	44,722	58,565	53,386	79,766	131,629	150,584	114,340	927,485
2025	123,983	62,527	50,288	41,686	34,777	50,717	67,512	74,779	79,376	129,096	126,163	101,795	942,699
2026	105,876	65,044	51,927	55,493	39,834	60,011	69,769	68,947	86,106	142,907			

Water Pumped



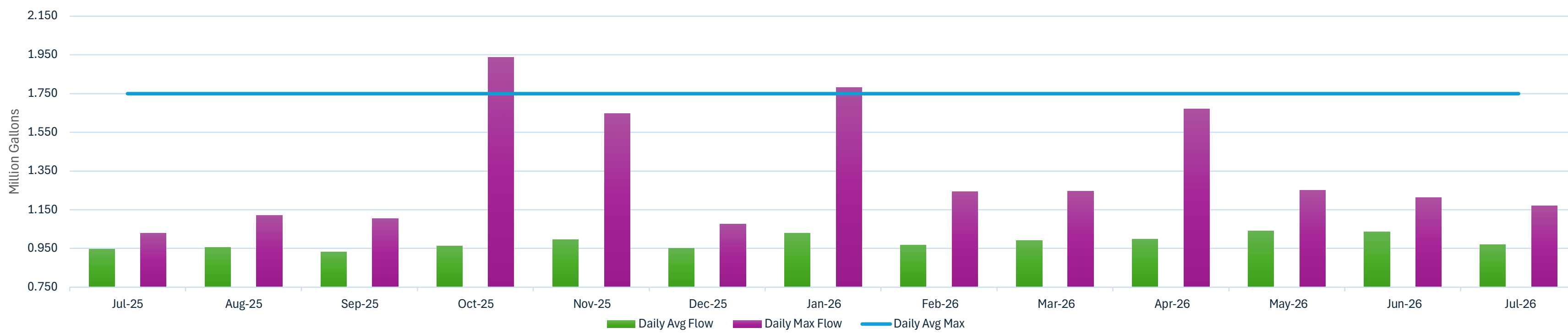
FY	October	November	December	January	February	March	April	May	June	July	August	September	Total Year
2017	82,677	77,937	43,792	43,207	43,024	69,549	65,723	94,452	103,867	101,184	114,872	109,769	950,053
2018	91,439	78,282	55,745	40,796	40,750	51,711	67,217	97,980	124,109	155,354	144,015	85,946	1,033,344
2019	60,576	53,119	45,651	45,552	39,014	43,048	61,238	48,787	79,167	102,887	144,299	130,752	854,090
2020	112,971	48,627	49,384	40,726	35,749	38,576	57,714	74,153	106,219	136,306	130,721	89,514	920,660
2021	106,660	66,304	46,962	50,538	47,733	44,191	75,866	56,985	73,907	113,015	109,492	123,206	914,859
2022	91,078	61,928	54,930	52,679	49,094	51,606	81,977	92,915	133,828	152,199	161,534	117,252	1,101,020
2023	114,089	54,777	57,827	57,758	39,309	50,124	77,261	84,019	120,932	145,657	184,972	169,227	1,155,952
2024	122,699	69,114	53,685	42,905	45,875	51,064	65,014	55,365	87,845	141,966	165,240	140,082	1,040,854
2025	138,130	71,155	58,502	49,040	40,414	56,730	75,530	82,360	88,130	137,840	138,870	115,950	1,052,651
2026	119,010	73,710	59,100	63,212	44,590	67,970	75,470	75,620	91,560	147,970			

Water Production



	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Min	2.607	2.536	2.025	1.395	2.958	1.011	1.131	0.985	1.238	1.370	1.342	1.716	2.929
Max	5.668	5.802	5.242	4.680	3.520	2.533	4.165	2.766	4.010	2.917	3.673	5.809	6.175
Avg	4.169	4.644	3.598	3.574	3.127	1.832	1.893	1.711	2.403	2.248	2.524	3.471	4.978

Wastewater Treated



Check Report

Trophy Club Municipal Utility District No. 1

By Check Number

Date Range: 07/01/2026 - 07/31/2026

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: Prosperity Bank-Prosperity Bank						
Payment Type: EFT						
1001	Town of Trophy Club	07/15/2026	EFT	0.00	168,636.03	3
			Total EFT:	**0.00**	**168,636.03**	

Check Report | **Date Range: 07/01/2026 - 07/31/2026**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Regular						
2222	Aflac	07/02/2026	Regular	0.00	377.14	12074
4018	BP Energy Holding Company LLC	07/02/2026	Regular	0.00	44,743.66	12075
4003	CW Janitorial Services	07/02/2026	Regular	0.00	1,600.00	12076
2497	DHS Automation Inc	07/02/2026	Regular	0.00	1,022.78	12077
4111	Factory Finish Collision Center	07/02/2026	Regular	0.00	13,196.98	12078
4033	Health Care Service Corporation	07/02/2026	Regular	0.00	25,090.85	12079
4004	Insituform Technologies LLC	07/02/2026	Regular	0.00	5,000.00	12080
2943	JP Morgan Chase Bank NA	07/02/2026	Regular	0.00	24,889.94	12081
3216	M3 Networks	07/02/2026	Regular	0.00	9,571.31	12082
4089	Mas Talent LLC	07/02/2026	Regular	0.00	3,365.35	12083
3179	NewGen Strategies & Solutions	07/02/2026	Regular	0.00	1,290.75	12084
4103	Pacific Life & Annuity Company	07/02/2026	Regular	0.00	2,755.13	12085
2799	Public Sector Personnel Consul	07/02/2026	Regular	0.00	2,500.00	12086
2633	Sluder Emergency Power Service	07/02/2026	Regular	0.00	1,035.00	12087
3156	Southern Petroleum Lab Inc	07/02/2026	Regular	0.00	5,421.00	12088
4107	Sun Life Assurance Company of Canada	07/02/2026	Regular	0.00	2,331.94	12089
4086	Texas Comptroller of Public Accounts	07/02/2026	Regular	0.00	342.34	12090
2696	Texas Excavation Safety System	07/02/2026	Regular	0.00	157.55	12091
4108	Trinity Miller Utility and Construction LLC	07/02/2026	Regular	0.00	257,377.80	12092
4027	Univar Solutions USA LLC	07/02/2026	Regular	0.00	3,223.30	12093
1499	Aldinger Company	07/15/2026	Regular	0.00	770.00	12094
2772	Allied Waste Industries	07/15/2026	Regular	0.00	7,437.67	12095
1005	Atlas Utility Supply Co.	07/15/2026	Regular	0.00	12,197.78	12096
1926	Badger Meter, Inc	07/15/2026	Regular	0.00	262.23	12097
2920	CareNow Corporate	07/15/2026	Regular	0.00	250.00	12098
2683	Charter Communications	07/15/2026	Regular	0.00	2,499.42	12099
1030	City of Fort Worth	07/15/2026	Regular	0.00	4,953.00	12100
3184	Dataprose LLC	07/15/2026	Regular	0.00	3,202.75	12101
2811	Eurofins Environment Testing Ecotoxicology, LL	07/15/2026	Regular	0.00	1,580.00	12102
2606	Fiserv Solutions LLC	07/15/2026	Regular	0.00	50.00	12103
2635	Halff Associates Inc.	07/15/2026	Regular	0.00	3,472.57	12104
2641	Huber Technology Inc	07/15/2026	Regular	0.00	3,237.10	12105
1513	James Thomas	07/15/2026	Regular	0.00	91.74	12106
2783	JJ HVAC LLC	07/15/2026	Regular	0.00	1,127.50	12107
4096	Mather & Strohl Administrative Services	07/15/2026	Regular	0.00	84.00	12108
4019	Peterson Pump & Motor Service LLC	07/15/2026	Regular	0.00	1,120.00	12109
3134	Prime Controls LP	07/15/2026	Regular	0.00	2,654.25	12110
4087	Prime Source Construction, Inc.	07/15/2026	Regular	0.00	789.00	12111
1737	PVS DX INC	07/15/2026	Regular	0.00	1,784.66	12112
4110	RUTS Construction LLC	07/15/2026	Regular	0.00	8,800.00	12113
1578	Smith Pump Company, Inc.	07/15/2026	Regular	0.00	6,490.00	12114
4100	Standley Systems	07/15/2026	Regular	0.00	287.01	12115
2440	Tarrant County Public Health Laboratory	07/15/2026	Regular	0.00	540.00	12116
1081	Tri County Electric	07/15/2026	Regular	0.00	997.43	12117
2798	Tyler Technologies Inc	07/15/2026	Regular	0.00	13,092.20	12118
3225	US Bank Voyager Fleet Systems	07/15/2026	Regular	0.00	1,808.68	12119
1058	Verizon Wireless	07/15/2026	Regular	0.00	592.41	12120
3280	Watts Ellison LLC	07/15/2026	Regular	0.00	2,620.00	12121
			Total Regular:	**0.00**	**488,084.22**	

Check Report **Date Range: 07/01/2026 - 07/31/2026**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Bank Draft						
1002	MissionSquare Plan Services	07/02/2026	Bank Draft	0.00	150.00	DFT0000428
3197	BenefitMall	07/02/2026	Bank Draft	0.00	437.68	DFT0000429
3113	TCDRS	07/31/2026	Bank Draft	0.00	9,529.94	DFT0000430
3124	IRS Tax Payment	07/02/2026	Bank Draft	0.00	12,993.87	DFT0000431
1002	MissionSquare Plan Services	07/17/2026	Bank Draft	0.00	150.00	DFT0000432
3197	BenefitMall	07/17/2026	Bank Draft	0.00	487.68	DFT0000433
3113	TCDRS	07/31/2026	Bank Draft	0.00	9,716.06	DFT0000434
3124	IRS Tax Payment	07/17/2026	Bank Draft	0.00	13,372.97	DFT0000435
1002	MissionSquare Plan Services	07/31/2026	Bank Draft	0.00	150.00	DFT0000436
3113	TCDRS	07/31/2026	Bank Draft	0.00	9,790.79	DFT0000437
3124	IRS Tax Payment	07/31/2026	Bank Draft	0.00	13,450.78	DFT0000438
			Total Bank Draft:	**0.00**	**70,229.77**	

Bank Code Prosperity Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	71	48	0.00	488,084.22
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	11	11	0.00	70,229.77
EFT's	1	1	0.00	168,636.03
	83	**60**	**0.00**	**726,950.02**

All Bank Codes Check Summary

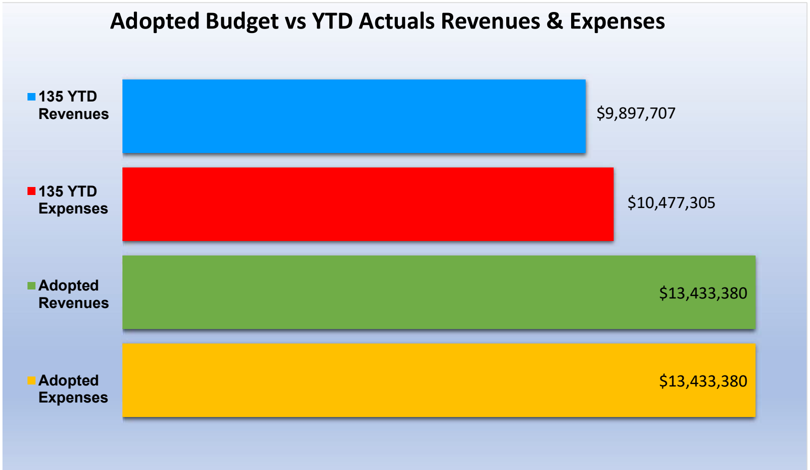
Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	71	48	0.00	488,084.22
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	11	11	0.00	70,229.77
EFT's	1	1	0.00	168,636.03
	83	**60**	**0.00**	**726,950.02**

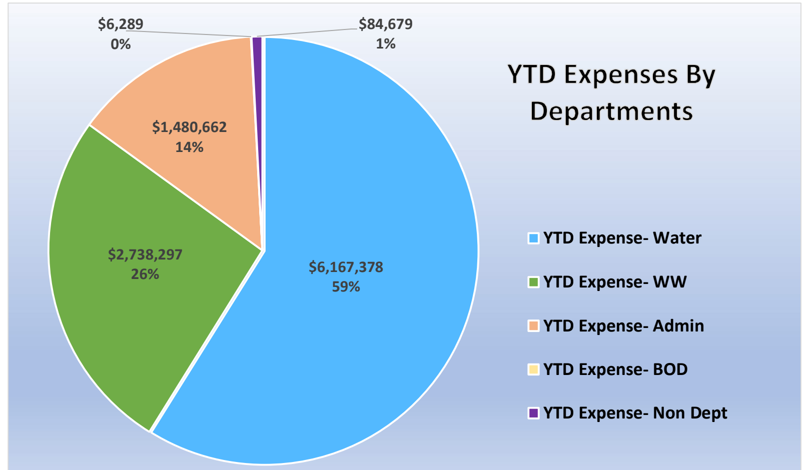
Fund Summary

Fund	Name	Period	Amount
996	Consolidated Cash	7/2026	726,950.02
			726,950.02

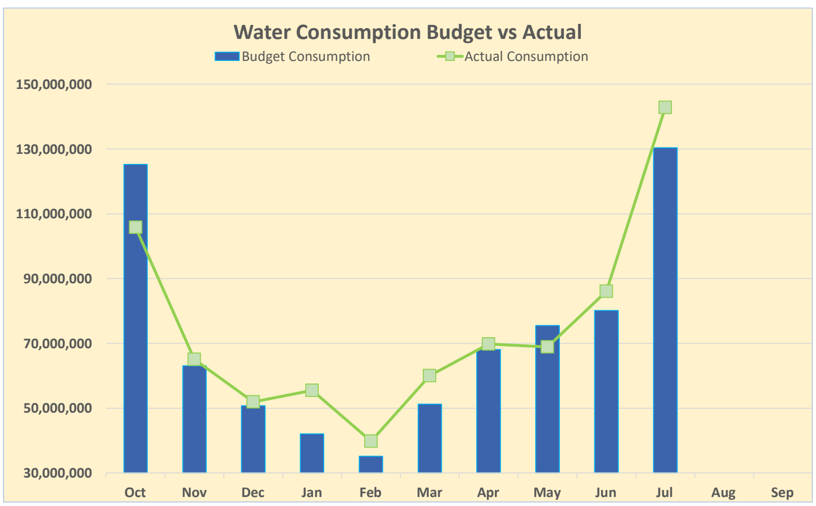
FY 2026 Combined Financials

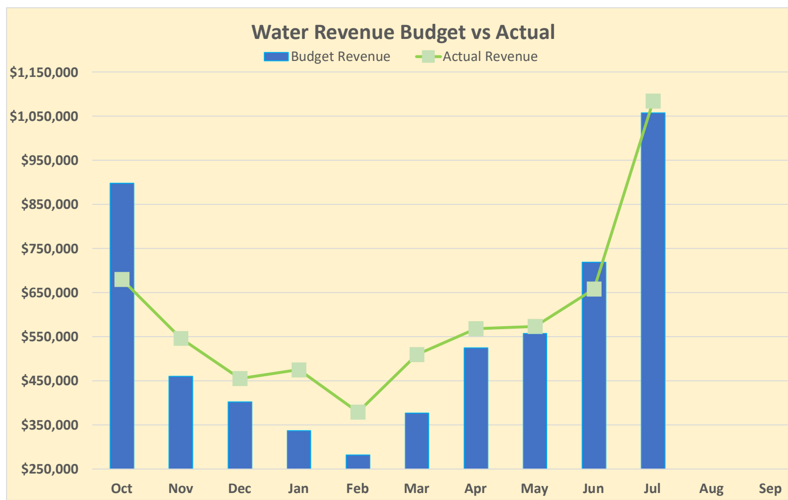
July 31, 2026

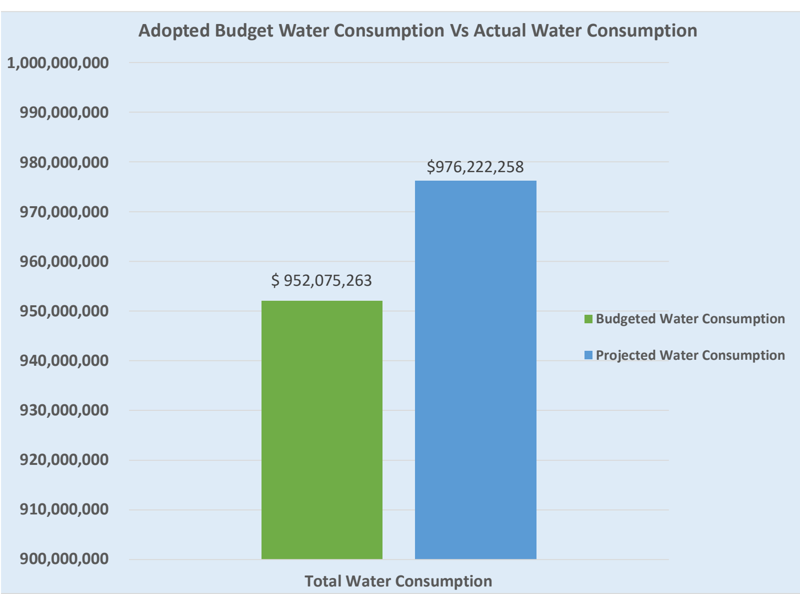


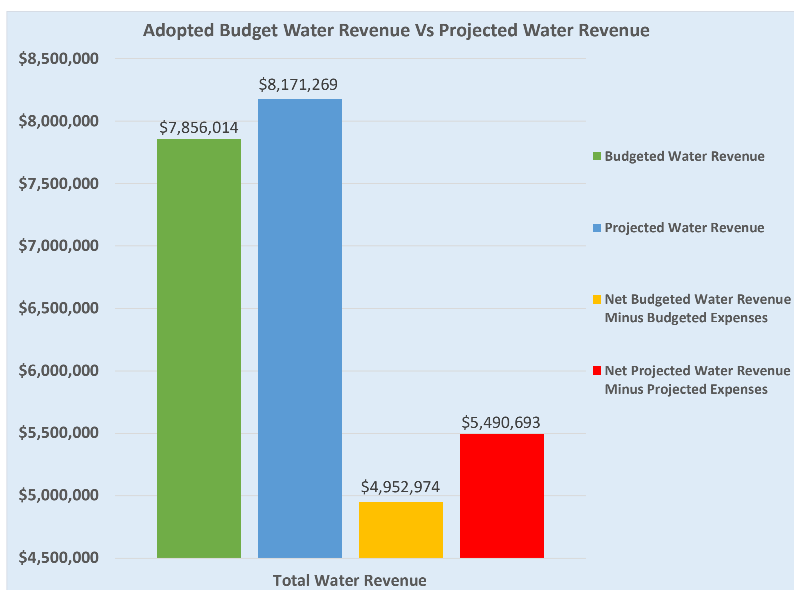


Water Budget vs Actual









Presented by:
Finance Department

Budget Report

Trophy Club Municipal Utility District No. 1

Account Summary

For Fiscal: 2025-2026 Period Ending: 07/31/2026

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 135 - General Fund							
Revenue							
Department: 000 - Revenue, Asset, Liability, & Equity							
135-000-40000-000	Property Taxes	118,420.00	118,420.00	473.97	116,437.37	-1,982.63	1.67 %
135-000-40002-000	Property Taxes/Delinquent	550.00	550.00	0.34	536.86	-13.14	2.39 %
135-000-40015-000	Property Taxes/P & I	500.00	500.00	38.39	658.99	158.99	131.80 %
135-000-47000-000	Water	7,856,015.00	7,856,015.00	1,084,035.72	5,928,966.96	-1,927,048.04	24.53 %
135-000-47005-000	Sewer	3,851,440.00	3,851,440.00	320,199.57	3,109,869.82	-741,570.18	19.25 %
135-000-47025-000	Penalties	115,800.00	115,800.00	14,581.51	97,168.79	-18,631.21	16.09 %
135-000-47030-000	Service Charges	3,350.00	3,350.00	-2,027.76	802.28	-2,547.72	76.05 %
135-000-47035-000	Plumbing Inspections	1,950.00	1,950.00	600.00	900.00	-1,050.00	53.85 %
135-000-47045-000	Sewer Inspections	650.00	650.00	150.00	200.00	-450.00	69.23 %
135-000-47070-000	TCCC Effluent Charges	132,156.00	132,156.00	29,945.84	79,591.41	-52,564.59	39.77 %
135-000-49011-000	Interest Income	525,000.00	525,000.00	110,570.01	387,329.71	-137,670.29	26.22 %
135-000-49015-000	Lease/Rental Income	0.00	0.00	0.00	5,600.00	5,600.00	0.00 %
135-000-49016-000	Cell Tower Revenue	52,450.00	52,450.00	0.00	39,338.19	-13,111.81	25.00 %
135-000-49026-000	Proceeds from Sale of Assets	15,000.00	15,000.00	0.00	23,270.00	8,270.00	155.13 %
135-000-49036-000	GASB Reserves	45,000.00	45,000.00	0.00	45,000.00	0.00	0.00 %
135-000-49075-000	Meter Fees	7,670.00	7,670.00	2,152.00	2,690.00	-4,980.00	64.93 %
135-000-49141-000	Interfund Transfer In	700,429.00	700,429.00	0.00	0.00	-700,429.00	100.00 %
135-000-49900-000	Miscellaneous Income	7,000.00	7,000.00	4,128.00	59,346.41	52,346.41	847.81 %
	Department: 000 - Revenue, Asset, Liability, & Equity Total:	**13,433,380.00**	**13,433,380.00**	**1,564,847.59**	**9,897,706.79**	**-3,535,673.21**	**26.32%**
	Revenue Total:	**13,433,380.00**	**13,433,380.00**	**1,564,847.59**	**9,897,706.79**	**-3,535,673.21**	**26.32%**
Expense							
Department: 010 - Water							
135-010-50005-000	Salaries & Wages	408,810.00	408,810.00	47,481.38	339,484.27	69,325.73	16.96 %
135-010-50010-000	Overtime	17,000.00	17,000.00	1,907.24	13,264.88	3,735.12	21.97 %
135-010-50016-000	Longevity	4,790.00	4,790.00	0.00	6,770.00	-1,980.00	-41.34 %
135-010-50017-000	Certification	3,000.00	3,000.00	125.00	1,425.00	1,575.00	52.50 %
135-010-50020-000	Retirement	52,030.00	52,030.00	5,941.63	44,513.43	7,516.57	14.45 %
135-010-50026-000	Medical Insurance	123,030.00	123,030.00	7,514.11	81,707.09	41,322.91	33.59 %
135-010-50027-000	Dental Insurance	7,990.00	7,990.00	386.70	4,765.14	3,224.86	40.36 %
135-010-50028-000	Vision Insurance	1,240.00	1,240.00	64.08	763.74	476.26	38.41 %
135-010-50029-000	Life Insurance & Other	5,300.00	5,300.00	410.61	3,863.92	1,436.08	27.10 %
135-010-50030-000	Social Security Taxes	26,880.00	26,880.00	3,047.65	21,946.71	4,933.29	18.35 %
135-010-50035-000	Medicare Taxes	6,300.00	6,300.00	712.74	5,132.64	1,167.36	18.53 %
135-010-50040-000	Unemployment Taxes	320.00	320.00	0.00	1,067.22	-747.22	-233.51 %
135-010-50045-000	Workers' Compensation	13,650.00	13,650.00	1,438.94	14,389.40	-739.40	-5.42 %
135-010-50060-000	Pre-employment Physicals/Testing	400.00	400.00	0.00	75.00	325.00	81.25 %
135-010-50070-000	Employee Relations	300.00	300.00	0.00	1,011.80	-711.80	-237.27 %
135-010-55030-000	Software & Support	18,470.00	18,470.00	1,736.28	16,315.48	2,154.52	11.66 %
135-010-55080-000	Maintenance & Repairs	184,000.00	184,000.00	74,755.05	233,971.60	-49,971.60	-27.16 %
135-010-55085-000	Generator Maintenance & Repair	1,500.00	1,500.00	0.00	0.00	1,500.00	100.00 %
135-010-55090-000	Vehicle Maintenance & Repairs	5,620.00	5,620.00	1,691.32	19,284.65	-13,664.65	-243.14 %
135-010-55105-000	Equipment Maintenance & Repairs	1,000.00	1,000.00	0.00	3,059.13	-2,059.13	-205.91 %
135-010-55135-000	Lab Analysis- District	12,500.00	12,500.00	930.00	16,541.67	-4,041.67	-32.33 %
135-010-60010-000	Communications	5,460.00	5,460.00	1,925.71	4,816.82	643.18	11.78 %
135-010-60020-000	Electricity	214,750.00	214,750.00	23,161.31	168,723.35	46,026.65	21.43 %
135-010-60080-000	Schools & Training	3,335.00	3,335.00	111.00	5,394.58	-2,059.58	-61.76 %
135-010-60100-000	Travel & per diem	3,850.00	3,850.00	0.00	0.00	3,850.00	100.00 %
135-010-60135-000	TCEQ Fees & Permits	30,000.00	30,000.00	0.00	25,647.73	4,352.27	14.51 %
135-010-60150-000	Wholesale Water	2,903,040.00	2,903,040.00	0.00	1,649,747.34	1,253,292.66	43.17 %

Budget Report **For Fiscal: 2025-2026 Period Ending: 07/31/2026**

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
135-010-60285-000	Lawn Services	10,500.00	10,500.00	1,800.00	5,760.00	4,740.00	45.14 %
135-010-60332-000	Interfund Transfer Out-Rev I&S	565,880.00	565,880.00	0.00	257,216.10	308,663.90	54.55 %
135-010-65005-000	Fuel & Lube	20,000.00	20,000.00	1,173.86	10,016.56	9,983.44	49.92 %
135-010-65010-000	Uniforms	4,360.00	4,360.00	271.50	3,507.87	852.13	19.54 %
135-010-65030-000	Chemicals	28,100.00	28,100.00	5,366.82	31,717.78	-3,617.78	-12.87 %
135-010-65053-000	Meter Change Out	215,000.00	215,000.00	952.63	214,966.86	33.14	0.02 %
135-010-69005-000	Capital Outlays	2,695,000.00	2,695,000.00	76,166.15	2,578,160.26	116,839.74	4.34 %
135-010-69195-000	GASB34 Reserves	382,350.00	382,350.00	0.00	382,350.00	0.00	0.00 %
	Department: 010 - Water Total:	**7,975,755.00**	**7,975,755.00**	**259,071.71**	**6,167,378.02**	**1,808,376.98**	**22.67%**
Department: 020 - Wastewater							
135-020-50005-000	Salaries & Wages	216,270.00	216,270.00	20,594.60	179,381.27	36,888.73	17.06 %
135-020-50010-000	Overtime	15,000.00	15,000.00	424.82	3,973.66	11,026.34	73.51 %
135-020-50016-000	Longevity	2,270.00	2,270.00	0.00	2,230.00	40.00	1.76 %
135-020-50017-000	Certification	3,900.00	3,900.00	100.00	1,850.00	2,050.00	52.56 %
135-020-50020-000	Retirement	28,490.00	28,490.00	2,534.35	23,179.46	5,310.54	18.64 %
135-020-50026-000	Medical Insurance	87,880.00	87,880.00	5,665.85	67,474.70	20,405.30	23.22 %
135-020-50027-000	Dental Insurance	4,260.00	4,260.00	175.94	2,498.96	1,761.04	41.34 %
135-020-50028-000	Vision Insurance	740.00	740.00	28.82	419.82	320.18	43.27 %
135-020-50029-000	Life Insurance & Other	4,100.00	4,100.00	175.43	1,998.43	2,101.57	51.26 %
135-020-50030-000	Social Security Taxes	14,720.00	14,720.00	1,318.88	11,551.24	3,168.76	21.53 %
135-020-50035-000	Medicare Taxes	3,450.00	3,450.00	308.46	2,701.49	748.51	21.70 %
135-020-50040-000	Unemployment Taxes	190.00	190.00	83.03	620.53	-430.53	-226.59 %
135-020-50045-000	Workers' Compensation	8,730.00	8,730.00	787.97	7,879.70	850.30	9.74 %
135-020-50060-000	Pre-employment Physicals/Testing	400.00	400.00	250.00	250.00	150.00	37.50 %
135-020-50070-000	Employee Relations	300.00	300.00	0.00	622.08	-322.08	-107.36 %
135-020-55030-000	Software & Support	23,470.00	23,470.00	1,736.29	20,198.23	3,271.77	13.94 %
135-020-55080-000	Maintenance & Repairs- WWTP	132,970.00	132,970.00	6,719.70	107,627.23	25,342.77	19.06 %
135-020-55081-000	Maintenance & Repairs- Collections	300,000.00	300,000.00	24,640.79	221,542.20	78,457.80	26.15 %
135-020-55085-000	Generator Maintenance & Repairs	11,000.00	11,000.00	0.00	17,054.06	-6,054.06	-55.04 %
135-020-55090-000	Vehicle Maintenance- WWTP	3,630.00	3,630.00	0.00	481.34	3,148.66	86.74 %
135-020-55105-000	Equipment Maintenance & Repairs	3,000.00	3,000.00	0.00	714.11	2,285.89	76.20 %
135-020-55125-000	Dumpster Services	103,000.00	103,000.00	6,791.77	87,564.17	15,435.83	14.99 %
135-020-55135-000	Lab Analysis	60,000.00	60,000.00	6,385.20	66,436.80	-6,436.80	-10.73 %
135-020-60010-000	Communications	4,700.00	4,700.00	202.52	1,950.94	2,749.06	58.49 %
135-020-60020-000	Electricity	274,500.00	274,500.00	25,042.48	233,392.85	41,107.15	14.98 %
135-020-60080-000	Schools & Training	1,040.00	1,040.00	142.25	4,119.73	-3,079.73	-296.13 %
135-020-60100-000	Travel & per diem	850.00	850.00	0.00	0.00	850.00	100.00 %
135-020-60135-000	TCEQ Fees & Permits	12,000.00	12,000.00	0.00	10,088.02	1,911.98	15.93 %
135-020-60285-000	Lawn Services	16,000.00	16,000.00	820.00	4,780.00	11,220.00	70.13 %
135-020-60332-000	Interfund Transfer Out-Rev I&S	704,640.00	704,640.00	0.00	320,289.60	384,350.40	54.55 %
135-020-65005-000	Fuel & Lube	13,000.00	13,000.00	969.72	8,850.28	4,149.72	31.92 %
135-020-65010-000	Uniforms	3,520.00	3,520.00	477.85	3,547.71	-27.71	-0.79 %
135-020-65030-000	Chemicals- WWTP	42,500.00	42,500.00	3,223.30	36,279.06	6,220.94	14.64 %
135-020-65045-000	Lab Supplies	33,000.00	33,000.00	2,381.62	26,566.52	6,433.48	19.50 %
135-020-69005-000	Capital Outlays	1,140,000.00	1,140,000.00	24,495.00	995,433.04	144,566.96	12.68 %
135-020-69195-000	GASB Reserve for Replacement	264,750.00	264,750.00	0.00	264,750.00	0.00	0.00 %
	Department: 020 - Wastewater Total:	**3,538,270.00**	**3,538,270.00**	**136,476.64**	**2,738,297.23**	**799,972.77**	**22.61%**
Department: 026 - Board of Directors							
135-026-50045-000	Workman's Compensation	20.00	20.00	0.90	9.00	11.00	55.00 %
135-026-60070-000	Dues & Memberships	750.00	750.00	0.00	750.00	0.00	0.00 %
135-026-60075-000	Meetings	1,500.00	1,500.00	116.99	1,181.88	318.12	21.21 %
135-026-60080-000	Schools & Training	2,000.00	2,000.00	0.00	915.00	1,085.00	54.25 %
135-026-60100-000	Travel & per diem	3,000.00	3,000.00	91.74	91.74	2,908.26	96.94 %
135-026-60245-000	Miscellaneous Expenses	6,000.00	6,000.00	0.00	3,341.51	2,658.49	44.31 %
	Department: 026 - Board of Directors Total:	**13,270.00**	**13,270.00**	**209.63**	**6,289.13**	**6,980.87**	**52.61%**
Department: 030 - Administration							
135-030-50005-000	Salaries & Wages	715,050.00	715,050.00	82,461.72	580,410.09	134,639.91	18.83 %

Budget Report **For Fiscal: 2025-2026 Period Ending: 07/31/2026**

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
135-030-50010-000	Overtime	2,000.00	2,000.00	124.29	1,199.43	800.57	40.03 %
135-030-50016-000	Longevity	2,800.00	2,800.00	0.00	2,797.50	2.50	0.09 %
135-030-50020-000	Retirement	86,390.00	86,390.00	9,863.06	71,849.65	14,540.35	16.83 %
135-030-50026-000	Medical Insurance	105,450.00	105,450.00	9,660.17	94,892.97	10,557.03	10.01 %
135-030-50027-000	Dental Insurance	4,000.00	4,000.00	272.01	2,979.07	1,020.93	25.52 %
135-030-50028-000	Vision Insurance	760.00	760.00	47.47	560.52	199.48	26.25 %
135-030-50029-000	Life Insurance & Other	6,930.00	6,930.00	550.21	5,133.75	1,796.25	25.92 %
135-030-50030-000	Social Security Taxes	44,630.00	44,630.00	5,079.93	34,413.68	10,216.32	22.89 %
135-030-50035-000	Medicare Taxes	10,440.00	10,440.00	1,188.06	8,309.16	2,130.84	20.41 %
135-030-50040-000	Unemployment Taxes	440.00	440.00	125.15	1,243.53	-803.53	-182.62 %
135-030-50045-000	Workers' Compensation	1,840.00	1,840.00	203.81	2,038.10	-198.10	-10.77 %
135-030-50060-000	Pre-emp Physicals/Testing	400.00	400.00	0.00	75.00	325.00	81.25 %
135-030-50070-000	Employee Relations	4,000.00	4,000.00	0.00	1,623.67	2,376.33	59.41 %
135-030-55030-000	Software & Support	91,190.00	91,190.00	253.83	91,209.05	-19.05	-0.02 %
135-030-55080-000	Maintenance & Repairs	25,000.00	25,000.00	5,473.67	16,294.35	8,705.65	34.82 %
135-030-55085-000	Generator Maintenance & Repairs	1,000.00	1,000.00	0.00	2,076.79	-1,076.79	-107.68 %
135-030-55120-000	Cleaning Services	20,000.00	20,000.00	1,600.00	18,200.00	1,800.00	9.00 %
135-030-55160-000	Professional Outside Services	125,080.00	125,080.00	10,111.45	110,215.30	14,864.70	11.88 %
135-030-55205-000	Utility Billing Contract	9,000.00	9,000.00	0.00	6,378.11	2,621.89	29.13 %
135-030-60010-000	Communications	19,240.00	19,240.00	1,655.02	17,256.07	1,983.93	10.31 %
135-030-60020-000	Electricity	23,000.00	23,000.00	1,982.46	18,521.02	4,478.98	19.47 %
135-030-60035-000	Postage	30,000.00	30,000.00	521.24	24,208.78	5,791.22	19.30 %
135-030-60040-000	Bank Service Charges & Fees	179,240.00	179,240.00	10,364.98	139,472.85	39,767.15	22.19 %
135-030-60050-000	Bad Debt Expense	13,000.00	13,000.00	0.00	0.00	13,000.00	100.00 %
135-030-60055-000	Insurance	170,450.00	170,450.00	13,285.65	132,856.50	37,593.50	22.06 %
135-030-60070-000	Dues & Memberships	2,560.00	2,560.00	0.00	2,394.00	166.00	6.48 %
135-030-60080-000	Schools & Training	3,850.00	3,850.00	0.00	590.00	3,260.00	84.68 %
135-030-60100-000	Travel & per diem	4,725.00	4,725.00	0.00	2,277.36	2,447.64	51.80 %
135-030-60115-000	Elections	17,000.00	17,000.00	0.00	10,566.00	6,434.00	37.85 %
135-030-60285-000	Lawn Services	6,000.00	6,000.00	4,606.03	5,075.70	924.30	15.41 %
135-030-65055-000	Hardware IT	22,000.00	22,000.00	0.00	9,754.75	12,245.25	55.66 %
135-030-65085-000	Office Supplies	7,500.00	7,500.00	739.61	7,526.12	-26.12	-0.35 %
135-030-65095-000	Maintenance Supplies	6,000.00	6,000.00	0.00	2,688.69	3,311.31	55.19 %
135-030-69005-000	Capital Outlays	0.00	0.00	0.00	29,928.87	-29,928.87	0.00 %
135-030-69170-000	Copier Lease	4,000.00	4,000.00	287.01	2,945.35	1,054.65	26.37 %
135-030-69195-000	GASB Reserve for Replacement	22,700.00	22,700.00	0.00	22,700.00	0.00	0.00 %
	Department: 030 - Administration Total:	**1,787,665.00**	**1,787,665.00**	**160,456.83**	**1,480,661.78**	**307,003.22**	**17.17%**
Department: 039 - Non Departmental							
135-039-55045-000	Legal	65,000.00	65,000.00	0.00	37,326.54	27,673.46	42.57 %
135-039-55055-000	Auditing	30,000.00	30,000.00	0.00	23,006.68	6,993.32	23.31 %
135-039-55060-000	Appraisal	14,570.00	14,570.00	0.00	18,746.34	-4,176.34	-28.66 %
135-039-55065-000	Tax Admin Fees	8,850.00	8,850.00	0.00	5,599.11	3,250.89	36.73 %
	Department: 039 - Non Departmental Total:	**118,420.00**	**118,420.00**	**0.00**	**84,678.67**	**33,741.33**	**28.49%**
	Expense Total:	**13,433,380.00**	**13,433,380.00**	**556,214.81**	**10,477,304.83**	**2,956,075.17**	**22.01%**
	Fund: 135 - General Fund Surplus (Deficit):	**0.00**	**0.00**	**1,008,632.78**	**-579,598.04**	**-579,598.04**	**0.00%**
	Report Surplus (Deficit):	**0.00**	**0.00**	**1,008,632.78**	**-579,598.04**	**-579,598.04**	**0.00%**

Budget Report **For Fiscal: 2025-2026 Period Ending: 07/31/2026**

Group Summary

Departmen…	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 135 - General Fund						
Revenue						
000 - Revenue, Asset, Liability, & Equity	13,433,380.00	13,433,380.00	1,564,847.59	9,897,706.79	-3,535,673.21	26.32%
Revenue Total:	**13,433,380.00**	**13,433,380.00**	**1,564,847.59**	**9,897,706.79**	**-3,535,673.21**	**26.32%**
Expense						
010 - Water	7,975,755.00	7,975,755.00	259,071.71	6,167,378.02	1,808,376.98	22.67%
020 - Wastewater	3,538,270.00	3,538,270.00	136,476.64	2,738,297.23	799,972.77	22.61%
026 - Board of Directors	13,270.00	13,270.00	209.63	6,289.13	6,980.87	52.61%
030 - Administration	1,787,665.00	1,787,665.00	160,456.83	1,480,661.78	307,003.22	17.17%
039 - Non Departmental	118,420.00	118,420.00	0.00	84,678.67	33,741.33	28.49%
Expense Total:	**13,433,380.00**	**13,433,380.00**	**556,214.81**	**10,477,304.83**	**2,956,075.17**	**22.01%**
Fund: 135 - General Fund Surplus (Deficit):	**0.00**	**0.00**	**1,008,632.78**	**-579,598.04**	**-579,598.04**	**0.00%**
Report Surplus (Deficit):	**0.00**	**0.00**	**1,008,632.78**	**-579,598.04**	**-579,598.04**	**0.00%**

CASH STATUS AS OF JULY 2026		Restricted - Unable to be spent	Unrestricted- Available for spending	Total in Accounts (Restricted & Unrestricted)
135-10250	TexPool Operating Reserve (XXXXX0002)	$167,586	$4,824,711	$4,992,297
135-10251	TexPool Rehab & Replacement Reserve (XXXXX0022)	2,098,199	0	2,098,199
135-10300	Prosperity Bank General Fund Operating (XXXXX2660)	0	1,671,286	1,671,286
137-10253	TexPool Equip Replacement Reserve (XXXXX0023)	7,040,617	0	7,040,617
519-10300	Prosperity Bank (XXXXX7724) SWIFT	85,052	0	85,052
519-11155	Cash-Bond Escrow Bank of Texas (SWIFT)	905,582	0	905,582
528-10250	TexPool Revenue Bond Reserve WWTP (XXXXX0014)	862,510	0	862,510
533-10250	TexPool Tax Bond 2014 & 2020 (XXXXX0003)	598,377	0	598,377
534-10250	TexPool Revenue Bond WWTP 2015 (XXXXX0013)	274,153	0	274,153
535-10250	TexPool Revenue Bond SWIFT 2016 (XXXXX0017)	126,801	0	126,801
536-10250	TexPool Revenue Bond W&WW 2019 (XXXXX0020)	93,977	0	93,977
	Balance - General Fund	$12,252,854	$6,495,997	$18,748,851

122-10252	TexPool Fire Fund (XXXXX0021)	$0	$1,673,761	$1,673,761
122-10300	Prosperity Bank Fire Operating (XXXXX2660)	0	161,681	161,681
	Balance - Fire	$0	$1,835,442	$1,835,442

Utility Billing Report
FY 2025 - 2026

	June 2025	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025	January 2026	February 2026	March 2026	April 2026	May 2026	June 2026	July 2026
ebills	1,691	1,684	1,669	1,667	1,672	1,680	1,689	1,682	1,683	1,693	1,690	1,699	1,704	1,704
Bills Mailed	3,837	3,849	3,858	3,861	3,855	3,864	3,852	3,847	3,855	3,857	3,855	3,863	3,876	3,853
Bank Draft	550	562	556	552	551	548	537	529	529	530	525	524	523	523
Online Payments	3,278	3,300	3,426	3,270	3,435	3,437	3,277	3,341	3,481	3,519	3,392	3,483	3,657	3,611
Late Notices	231	286	263	278	301	301	275	308	338	322	325	320	342	453
Disconnects	2	2	4	7	11	6	10	3	6	5	6	2	10	7
Total Connections	4,883	4,884	4,885	4,889	4,890	4,885	4,890	4,891	4,891	4,891	4,892	4,892	4,892	4,895

Permits

Date of Permit	Permit No.	Customer Deposit	Due to FW Water	Meter Fee	Plumbing Inspections	Sewer Inspections	Fire Line	Misc. Income	Total
									$ -
									$ -
									$ -
									$ -
									$ -
									$ -
									$ -
									$ -
									$ -
									$ -
									$ -
Total		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

WORK SESSION AND REGULAR MEETING MINUTES
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
BOARD OF DIRECTORS
July 15, 2026, at 6:00 p.m.

Trophy Club Municipal Utility District No. 1 Board of Directors, of Denton and Tarrant Counties, met in a work session and regular meeting on July 15, 2026, at 6:00 p.m., in the Boardroom of the Administration Building, 100 Municipal Drive, Trophy Club, Texas 76262. The meeting was held within the boundaries of the District and was open to the public.

STATE OF TEXAS §
COUNTIES OF DENTON AND TARRANT §

BOARD MEMBERS PRESENT:

Kevin R. Carr	President
Neil Twomey	Vice President (Via Zoom)
Bert Cooper	Secretary/Treasurer
William C. Rose	Director
Jim Thomas	Director

STAFF PRESENT:

Alan Fourmentin	General Manager
Laurie Slaght	District Secretary
Mike McMahon	Operations Manager
Regina Van Dyke	Finance Manager
Pam Liston	General Legal Counsel

GUESTS PRESENT:

Robert D. Dransfield	Norton Rose Fulbright US LLP
Paul Trahan	Norton Rose Fulbright US LLP

CALL TO ORDER AND ANNOUNCE A QUORUM
President Carr announced the date of July 15, 2026, called the work session to order and announced a quorum present at 6:07 p.m.

CALL WORK SESSION TO ORDER AND ANNOUNCE A QUORUM

1. Discussion and review of FY 2027 draft budget.

General Manager Alan Fourmentin reviewed the draft FY2027 budget with the Board and answered questions related thereto.

ADJOURN WORK SESSION
President Carr called the work session adjourned at 6:34 p.m.

REGULAR MEETING

CALL TO ORDER AND ANNOUNCE A QUORUM

President Carr announced the date of July 15, 2026, called the regular meeting to order and announced a quorum present at 6:35 p.m.

The Board of Directors convened into Executive Session at 6:37 p.m. and reconvened into Regular Session at 8:46 p.m.

EXECUTIVE SESSION

1. Pursuant to Section 551.071 of the Texas Open Meetings Act, the Board may consult with its attorney in Executive Session on a matter in which the duty of the attorney to the Governmental Body under the Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act or to seek advice of counsel on legal matters involving pending or contemplated litigation or settlement offers: Determination of District and Water System Assets.

2. Pursuant to Section 551.072 of the Texas Open Meetings Act, the Board may deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person: District and Water System Assets.

3. Pursuant to Section 551.074 of the Texas Government Code (Personnel), the Board will convene into executive (closed) session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: General Manager.

REGULAR SESSION

4. Consider and take any actions necessary as a result of executive session items.

   No action taken

CITIZEN COMMENTS

There were no citizen comments

REPORTS & UPDATES

5. Monthly Staff Reports
   a. Monthly Capital Improvement Projects
   b. Monthly Operations Reports
   c. Monthly Finance Reports
      - Quarterly Tax Collections 3rd Quarter
      - Quarterly Investment Report 3rd Quarter

   General Manager Alan Fourmentin presented the monthly staff reports and answered questions related thereto.

CONSENT AGENDA

6. Consider and act to approve the Consent Agenda.
   a. June 17, 2026, Meeting Minutes

Motion made by Director Thomas and seconded by Director Cooper to approve the June 17, 2026, Meeting Minutes.

Motion carried unanimously.

REGULAR SESSION

7. Discussion and possible action regarding winter averaging calculation.

   Director Carr stated that a resident on Jennifer Ct., requested an adjustment on his winter averaging rate. The resident watered their foundation during the winter averaging months.

   General Manager Alan Fourmentin stated that the policy states that a review of a resident's winter averaging calculations are done only when the resident provides information regarding the issue and receipts that show the issue was repaired. Fourmentin added that by straying from the policy, it would set a precedent for adjusting amounts for any resident who chose to water their foundation.

Motion made by Director Carr was seconded by Twomey to give consideration to the resident and use the winter average rate from December 2023 to February 2024 and December 2024 to February 2025 for his rate this year.

Amendment by Director Carr and seconded by Director Twomey to use the last 5 years winter average rate to set the rate for this year. Amendment was accepted as "friendly" by the Board without exception.

For: none
Oppose: Cooper, Rose, Thomas, and Twomey
Abstain: Carr

Motion failed

8. Consider and act to award the purchase and installation of Badger Meter upgrades as part of FY 2026 Capital Improvement Projects.

Motion by Director Rose and seconded by Director Thomas to approve the purchase and installation of Badger Cellular Endpoints and implementation of Beacon Cloud Platform software as part of FY 2026 Capital Improvement Projects to Atlas Utility Supply Company for an approximate amount of $1,240,770.00 and authorize the General Manger to execute any necessary documents.

Motion carried unanimously

9. Consider and act to approve Contract No. 2026071501, Software as a Service Agreement with Tyler Technologies, Inc.

Motion by Director Cooper and seconded by Director Twomey to approve Contract No. 2026071501, Software as a Service Agreement with Tyler Technologies, Inc for an amount not to exceed $41,449.00 and authorize the General Manager to execute the necessary documents.

Motion carried unanimously

10. Discussion and possible action regarding Commercial Lease Agreement with the Town of Trophy Club for District real property located at 1501 Junction Way.

    No action taken

11. Consider and take appropriate action to engage the firm of Norton Rose Fulbright LLP as special legal counsel.

Motion made by Director Rose and seconded by Director Twomey to engage Norton, Rose, Fulbright LLP. as special legal counsel.

Motion carried unanimously

FUTURE AGENDA ITEMS

12. Items for future agendas:

13. Set next meeting date: August 19, 2026, start with work session at 6 p.m.

ADJOURN

President Carr called the meeting adjourned at 9:18 p.m.

____

Kevin R. Carr, President

____

Bert Cooper, Secretary/Treasurer

(SEAL)

____

Laurie Slaght, District Secretary

WATER DISTRICT
NOTICE OF PUBLIC HEARING ON TAX RATE

The Trophy Club Municipal Utility District No. 1 will hold a public hearing on a proposed tax rate for the tax year 2026 on Wednesday, September 16, 2026, at 6:30 p.m. at the Svore Municipal Building, 100 Municipal Drive, Trophy Club, Texas. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in taxable value of all other property determines the distribution of the tax burden among all property owners.

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

FOR the proposal: ____________________

AGAINST the proposal: ____________________

PRESENT and not voting: ____________________

ABSENT: ____________________

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	**This year**
Total tax rate (per $100 of value)	$0.06814/$100 Adopted	$0.07564/$100 Proposed
Difference in rates per $100 of value	($0.00750)/$100	
Percentage increase/decrease in rates (+/-)	(11.006%)	
Average appraised residence homestead value	$818,986	$785,543
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	$0	$0
Average residence homestead taxable value	$818,986	$785,543
Tax on average residence homestead	$558.06	$594.18
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-) and percentage of increase (+/-)	$36.12 6.472%	

NOTICE OF VOTE ON TAX RATE

If the district adopts a combined debt service, operation and maintenance and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code. An election is not required if the adopted tax rate is less than or equal to the voter-approval tax rate.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

2026 Developed Water District Voter-Approval Tax Rate Worksheet

Form 50-860

Trophy Club Municipal Utility District No. 1
Water District Name

682-831-4600
Phone *(area code and number)*

100 Municipal Dr, Trophy Club, Tx 76262
Water District's Address, City, State, ZIP Code

www.tcmud.org
Water District's Website Address

GENERAL INFORMATION: The Comptroller's office provides this worksheet to assist water districts in determining their voter-approval tax rate. The information provided in this worksheet is offered as technical assistance and not legal advice. Water districts should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: Voter Approval Tax Rate

The voter-approval tax rate for developed water districts is the current year's debt service, contract and unused increment tax rates plus the maintenance and operation (M&O) tax rate that would impose no more than 1.035 times the amount of M&O tax imposed by the water district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

If any part of the developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the voter-approval tax rate in the manner provided in Water Code Section 49.23601(a) and determine whether an election is required to approve the adopted tax rate in the manner provided in Water Code Section 49.23601(c). In such cases, the developed water district may use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* to calculate its voter-approval tax rate.

Taxing units must include a hyperlink to a document that evidences the accuracy of each entry in the worksheet other than an entry making a mathematical calculation.[1] Source materials must contain data for all worksheets used.

Insert hyperlink:

Line	Worksheet	Amount/Rate
1.	**Prior year average appraised value of residence homestead.** [2]	$ 818,986
2.	**Prior year general exemptions available for the average homestead.** Excluding age 65 or older or disabled persons exemptions. [3]	$ 0
3.	**Prior year average taxable value of residence homestead.** Line 1 minus Line 2.	$ 818,986
4.	**Prior year adopted M&O tax rate.**	$ .06000 /$100
5.	**Prior year M&O tax on average residence homestead**. Multiply Line 3 by Line 4, divide by $100.	$ 491.39
6.	**Highest M&O tax on average residence homestead with increase.** Multiply Line 5 by 1.035. [4]	$ 508.59
7.	**Current year average appraised value of residence homestead.**	$ 785,543
8.	**Current year general exemptions available for the average homestead**. Excluding age 65 or older or disabled persons exemptions. [5]	$ 0
9.	**Current year average taxable value of residence homestead.** Line 7 minus Line 8.	$ 785,543
10.	**Highest current year M&O tax rate.** Line 6 divided by Line 9, multiply by $100. [6]	$ .0700 /$100
11.	**Current year debt tax rate.**	$ .00803 /$100

[1] Tex. Tax Code §§5.07(g)(4) and 26.04(d-1)
[2] Tex. Water Code § 49.236(a)(2)(C)
[3] Tex. Water Code § 49.236(a)(2)(D)
[4] Tex. Water Code § 49.23602(a)(2)(A)
[5] Tex. Water Code § 49.236(a)(2)(E)
[6] Tex. Water Code § 49.236(a)(2)(F)

SECTION 1: Voter Approval Tax Rate (continued)

Line	Worksheet	Amount/Rate
12.	**Current year contract tax rate.**	$ 0 /$100
13.	**Year 3 Foregone Revenue Amount. Subtract the 2025 unused increment rate and 2025 actual tax rate from the 2025 voter-approval tax rate. Multiply the result by the 2025 current total value.**	
	A. Voter-approval tax rate	$ .06814 /$100
	B. Unused increment rate	$ 0.000 /$100
	C. Subtract B from A	$ .06814 /$100
	D. Adopted Tax Rate	$ .06814 /$100
	E. Subtract D from C	$ 0. /$100
	F. 2025 Total Taxable Value	$
	G. Multiply E by F and divide the results by $100	$ 0.00
14.	**Year 2 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value.**	
	A. Voter-approval tax rate	$ .06250 /$100
	B. Unused increment rate	$ .00000 /$100
	C. Subtract B from A	$ .06250 /$100
	D. Adopted Tax Rate	$ .06250 /$100
	E. Subtract D from C	$ .0000 /$100
	F. 2024 Total Taxable Value	$ 1,991,608,688
	G. Multiply E by F and divide the results by $100	$ 0
15.	**Year 1 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value**	
	A. Voter-approval tax rate	$ .063810 /$100
	B. Unused increment rate	$ .008590 /$100
	C. Subtract B from A	$ .055220 /$100
	D. Adopted Tax Rate	$ .063810 /$100
	E. Subtract D from C	$ -.008590 /$100
	F. 2023 Total Taxable Value	$ 1,877,675,027
	G. Multiply E by F and divide the results by $100	$ 0
16.	**Total Foregone Revenue Amount.** Add Lines 13G, 14G and 15G.	$ 0
17.	**2026 Unused Increment Rate.** Divide Line 16 by the current total value as defined in Tax Code Section 26.012(6). Multiply the result by 100 [7]	$ 0 /$100
18.	**Total 2026 voter-approval tax rate.** Add Lines 10, 11, 12 and 17.	$ .07803 /$100

SECTION 2: Mandatory Tax Election Rate

The mandatory tax election rate is the highest total tax rate a developed water district may adopt without holding an election. The mandatory tax election rate is the rate that would impose 1.035 times the amount of tax imposed by the district in the preceding year on the average appraised value of a residence homestead in the water district plus the unused increment rate. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older. [8]

Line	Worksheet	Amount/Rate
19.	**Prior year average taxable value of residence homestead.** Enter the amount from Line 3.	$ 818,986
20.	**Prior year adopted total tax rate.**	$ .06814 /$100
21.	**Prior year total tax on average residence homestead.** Multiply Line 19 by Line 20 divide by $100.	$ 558.06

[7] Tex. Tax Code § 26.013
[8] Tex. Water Code § 49.23602(a)(2)

SECTION 2: Mandatory Tax Election Rate (continued)

Line	Worksheet	Amount/Rate
22.	**Current year mandatory election amount of taxes per average residence homestead.** Multiply Line 21 by 1.035.	$ 577.59
23.	**Current year mandatory election tax rate, before unused increment.** Divide Line 22 by Line 9 and multiply by $100.	$ .07352 /$100
24.	**Current year mandatory tax election rate.** Add Line 17 and Line 23.	$ .07352 /$100

SECTION 3: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the voter-approval tax rate and mandatory tax election rate as authorized by the governing body of the water district. By signing below, you certify that you are the designated officer or employee of the taxing unit and have calculated the tax rates in accordance with requirements in Water Code.

print here Regina Van Dyke

Printed Name of Water District Representative

sign here RVanDyke

Water District Representative

8/12/26

Date

STAFF REPORT

August 19, 2026

AGENDA ITEM: Consider and act regarding banking and depository matters: Depository Pledge Agreement with Prosperity Bank.

DESCRIPTION: The District's current depository services agreement with Prosperity Bank is scheduled to expire at the end of September 2026. In anticipation of the expiration, the District solicited proposals for depository banking services. Staff reviewed the proposals received and evaluated the proposed terms, rates, fees, and services offered. Based on this review, and because Prosperity Bank's proposal remains consistent with the District's current banking needs and operational requirements, staff recommend continuing depository banking services with Prosperity Bank.

RECOMMENDATION: Staff recommends approval of the Depository Pledge Agreement with Prosperity Bank for a term of two (2) years, effective October 1, 2026, through September 30, 2028, with the option to extend two (2) additional one (1) year terms.

DEPOSITORY PLEDGE AGREEMENT

THE STATE OF TEXAS §

COUNTY OF DENTON §
COUNTY OF TARRANT §

This Depository Pledge Agreement (this "Agreement") is dated this **19th** day of **August, 2026** by and among **Prosperity Bank**, duly organized and existing under the laws of the State of Texas (the "Bank"); **Federal Home Loan Bank of Dallas, Irving Texas**, duly organized and existing under the laws of the United States of America (the "Custodian"); and **Trophy Club Municipal Utility District No. 1**, a political subdivision of the State of Texas, organized and existing under the Constitution and the laws of the State of Texas (the "District"). The District, through action of its Board of Directors, hereby designates the Bank as its depository for banking services for a period of two (2) years commencing on **October 1, 2026**, through **September 30, 2028**. At the discretion of the District and upon the agreement of the parties, this Agreement may be extended for two (2) additional one (1) year terms.

WITNESSETH

WHEREAS, the District has selected the Bank as a depository for certain funds of the District in demand deposits and/or interest bearing time deposits;

WHEREAS, the Bank has agreed to serve as a depository of the District and has full power and authority to perform and serve as depository;

WHEREAS, the District from time to time may deposit funds in one or more of the above described accounts which exceed the amount insured by the Federal Deposit Insurance Corporation (the "FDIC");

WHEREAS, the District is required by law to secure all deposits of funds in excess of the amount insured by the FDIC. In order to anticipate market change and provide a level of security for all funds, the Board of Directors of the District requires by policy that the collateralization level be 102% of the market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC;

WHEREAS, the Bank has agreed that all funds secured by a pledge of collateral by the Bank to the District will be continuously secured by a valid pledge of collateral which under Texas law can be used to secure deposits of the District;

WHEREAS, the Bank has agreed that the aggregate market value of the collateral shall, at all times, be in an amount not less than 102% of: (i) the amount on deposit in the Bank increased by the amount of the accrued interest and (ii) reduced by the amount that the United States or an instrumentality of the United States insures the deposit;

WHEREAS, the Bank has agreed to place any securities so pledged in a custodial account for safekeeping at **Federal Home Loan Bank of Dallas, Irving Texas**, a Federal Reserve Bank, the Texas Treasury Safekeeping Trust Company, or a state or national bank that is domiciled in the State of Texas, has a capital stock and permanent surplus of $5,000,000 or more, and is not a financial institution owned or controlled by the Bank or its holding company;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the District and the Bank agree as follows:

ARTICLE I.
PLEDGE OF SECURITIES

SECTION 1.01. PLEDGE OF SECURITIES. The Bank hereby agrees to pledge to the District authorized investment securities, as hereinafter described, to secure all District funds on deposit with the Bank in an amount not less than 102% of: (i) the amount on deposit in the Bank increased by the amount of the accrued interest and (ii) reduced by the amount that the United States or an instrumentality of the United States insures the deposit.

SECTION 1.02. AUTHORIZED INVESTMENT SECURITIES. Authorized Investment Securities shall mean and shall only include:

1. obligations of the United States or its agencies and instrumentalities backed by the full faith and credit of the United States;

2. direct obligations of the State of Texas or its agencies and instrumentalities;

3. collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

4. fixed-rate collateralized mortgage obligations that have an expected weighted average life of 10 years or less and do not constitute "high-risk mortgage security" under Chapter 2257.0025 of the Public Funds Collateral Act;

5. a floating-rate collateralized mortgage obligation that does not constitute a "high- risk mortgage security" under Chapter 2257.0025 of the Public Funds Collateral Act;

6. other obligations the principal and interest of which are unconditionally guaranteed or backed by the full faith and credit of the State of Texas or of the United States or their respective agencies and instrumentalities; and

7. obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent.

Authorized Investment Securities shall not include:

1. obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;

2. obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

3. collateralized mortgage obligations that have a final stated maturity date of greater than (10) years other than those listed herein in this section; and

4. collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

SECTION 1.03. SUBSTITUTION OF AUTHORIZED INVESTMENT SECURITIES. The Bank shall have the right to purchase, sell, substitute or replace, any and all of the Authorized Investment Securities pledged pursuant to this Agreement with like Authorized Investment Securities, provided, however, that prior to any purchase, sale, substitution or replacement, the Bank shall send a written notice stating the par value, maturity date and market value on the proposed date of substitution to the District General Manager or District Finance Manager or any of their successors. If approved by the District, the substituted Authorized Investment Securities shall thereafter be subject to all the terms and conditions of this Agreement.

SECTION 1.04. GRANT OF SECURITY INTEREST. The Bank hereby pledges and grants to the District a security interest in the Authorized Investment Securities which are held, now or hereafter, by the Custodian for the benefit of the District in accordance with the terms of this Agreement. The security interest pledged and granted in the Authorized Investment Securities is created, attaches and is perfected for all purposes from the time that the Custodian identifies the Authorized Investment Securities on the Custodian's books and records and issues the trust receipt. The security interest in the Authorized Investment Securities remains perfected in the hands of a subsequent custodian.

ARTICLE II.
DUTIES OF BANK

The Bank shall faithfully perform all of the duties and obligations required by the laws of the State of Texas for depositories of the District, and shall upon presentation pay all checks drawn on it by the duly authorized representatives of the District against collected funds of the District on demand deposit in accordance with the Terms and Conditions of the depository account, and shall at the expiration of the term for which it has been chosen as depository of the District release to its successor all funds, property and things of value then on deposit for the District.

ARTICLE III.
CUSTODIAN

SECTION 3.01. APPOINTMENT OF CUSTODIAN. Federal Home Loan Bank of Dallas, Irving Texas is hereby appointed custodian (the "Custodian") under the terms of this Agreement. The Bank shall deposit with the Custodian for safekeeping the Authorized Investment Securities pledged to the District, and the Custodian shall hold in trust the Authorized Investment Securities pledged to the District to secure the District's funds on deposit with the Bank.

SECTION 3.02. AUTHORITY OF CUSTODIAN. Authorized Investment Securities pledged to the District shall be subject only to the joint written instructions of (a) authorized individuals of the District as set forth in **Exhibit A** attached hereto and (b) authorized officers of the Bank as set forth in **Exhibit B** attached hereto. The Custodian hereby agrees to hold all Authorized Investment Securities pledged to the District and deposited with it pursuant to the terms of this Agreement and to deliver them in accordance with the terms hereof. Additionally, the Custodian agrees to serve as collateral agent for the District to the extent necessary to allow the District to perfect its security interest granted herein in the Authorized investment Securities pledged to the District.

SECTION 3.03. RECEIPTS. On receipt of Authorized Investment Securities pledged to the District, the Custodian shall immediately identify on its books and records, by book entry or another method, the Authorized Investment Securities pledged to the District and shall promptly issue and deliver to the Bookkeeper for the District a receipt for the Authorized Investment Securities pledged to the District. The Custodian shall identify on its records, by book entry or other method, any Authorized Investment Security pledged to the District that is substituted and shall promptly issue and deliver to the District's Finance Manager a receipt evidencing the substituted Authorized Investment Securities pledged to the District.

SECTION 3.04. BOOKS AND RECORDS OF CUSTODIAN. The Custodian shall maintain a separate, accurate and complete record relating to all the Authorized Investment Securities pledged to the District and each transaction relating to the Authorized Investment Securities pledged to the District. The District or its agent may examine and verify at any reasonable time the Authorized Investment Securities pledged to the District or any record that the Custodian maintains under this Agreement. The District or its agent may inspect at any time the Authorized Investment Securities pledged to the District evidenced by a trust receipt.

SECTION 3.05. CUSTODIAN AS BAILEE. The Custodian is for all purposes the bailee or agent of the District.

SECTION 3.06. FEES OF CUSTODIAN. Any and all fees associated with the safekeeping of Authorized Investment Securities pledged to the District which the Custodian shall charge shall be borne by the Bank.

ARTICLE IV.
REPORTING REQUIREMENTS

SECTION 4.01. MEMORANDUM DESCRIBING SECURITIES. Upon the execution of this Agreement and at the time of the substitution or withdrawal of the Authorized Investment Securities pledged to the District, the Bank shall execute and deliver to the Finance Manager or the General Manager a Memorandum describing the Authorized Investment Securities pledged to the District and deposited with the Custodian or the Authorized Investment Securities pledged to the District which have been substituted or withdrawn from the Custodian and held pursuant to this Agreement.

SECTION 4.02. MONTHLY STATEMENTS. The Bank agrees to furnish to the District a monthly statement listing a description of the Authorized Investment Securities pledged to the District held in safekeeping with the Custodian. The statement will include par value, market value, and maturity date of the Authorized Investment Securities held by the Custodian. The Bank shall keep such statement on file at all times at the Bank and such statements shall be available for inspection at the Bank during regular business hours.

SECTION 4.03. DISCLOSURE OF FINANCIAL POSITION. The Bank will provide the District a quarterly statement of its financial position.

SECTION 4.04. ANNUAL AUDIT OF BANK. The Bank will provide the District a copy of its annual audit performed by an independent auditing firm inclusive of a statement as to the "fair presentation" of the audit.

SECTION 4.05. DISTRICT AUDIT. As part of the District's annual audit, the auditor for the District shall examine and verify the Authorized Investment Securities pledged to the District and records maintained pursuant to this Agreement all in accordance with Section 2257.025 and Section 2257.046 of the Public Funds Collateral Act. The auditor shall report any significant or material noncompliance of this Agreement or the Act to the District.

ARTICLE V.
SCOPE OF SERVICES

The Bank's Depository Bid Proposal, submitted July 9,2026, (the "Proposal") is incorporated into this Agreement for all purposes, including service charges, time deposit, demand deposit and loan rates, and attached as **Exhibit E**. If any provisions of the Proposal and this Agreement are in conflict, this Agreement will control.

The Bank shall faithfully perform all of its duties and obligations required by the laws of the State of Texas for public funds depositories and shall upon presentation pay all checks drawn on it against collected funds on demand deposits, and shall, at the expiration of the Agreement, turn over to its successor all funds, District-owned securities, property and things of value held as depository.

The District shall have the power to determine and designate the character and amount of the funds to be deposited in the Bank. The District may arrange for time deposits and Bank may accept such deposits subject to the terms of the Bank's Proposal.

This Agreement, along with all Exhibits and other incorporated documents shall constitute the entire Agreement between the parties.

ARTICLE VI.
REPRESENTATION BY THE BANK

The Bank represents to the District that:

(a) the Bank is the sole legal and actual owner of the Authorized Investment Securities pledged to the District to collateralize the District's deposits;

(b) no other security interest has been, nor will be, granted in the Authorized Investment Securities pledged to the District to collateralize the District's deposits; and

(c) the Bank is covered for District deposits up to $250,000 under the Federal Deposit Insurance Corporation, or such other amount as may be applicable from time to time.

ARTICLE VII.
BANK COMPENSATION

Bank will be compensated for any and all services rendered to District under this Agreement as proposed in Proposal submitted by Bank which indicates a monthly flat fee of $0.00.

ARTICLE VIII.
DEFAULT

SECTION 8.01. DEFAULT. The Bank shall be in default if it fails to pay all or any part of a collected demand deposit, a matured time deposit, or a matured certificate of deposit, including earned interest, at the specified maturity date. The Bank shall also be in default if ruled "bankrupt", "insolvent" or "failed" by Federal Banking Regulators.

SECTION 8.02. TITLE TO SECURITIES. In the event of a default, failure or insolvency of the Bank, the District shall give written notice of such default to the Bank, and Bank shall have three (3) business days to cure such default. In the event Bank fails to cure such default, then (i) the District shall be deemed to have full vested title to all Authorized Investment Securities pledged to the District pursuant to this Agreement and (ii) the District is hereby authorized to take possession of and transfer to itself or sell any and all Authorized Investment Securities pledged to the District pursuant to this Agreement. If the Authorized Investment Security pledged to the District is transferred to the District in such circumstances, ownership of the Authorized Investment Security pledged to the District will transfer entirely to the District. If the Authorized Investment Security pledged to the District is liquidated, any proceeds over the value of the defaulted amount of the matured investment, including accrued interest, plus expenses related to the liquidation transaction, shall be returned to the Bank. This authorization is in addition to any other remedy which the District may have under this Agreement and without prejudice to its right to maintain any suit in any court for redress of injuries sustained by the District under this Agreement.

ARTICLE IX.
ASSIGN ABILITY

This Agreement is not assignable in whole or in part but is binding on the parties hereto, their successors and assigns. However, a merger or sale of all or substantially all of Bank's assets shall not constitute an assignment under this Agreement, and the resulting entity shall be considered to be the Bank herein for all purposes.

ARTICLEX.
TERMINATION

This Agreement may be terminated by either the Bank, the District or the Custodian by giving thirty (30) days prior written notice to the other parties.

ARTICLE XI.
GOVERNING LAW

All applicable provisions and requirements of the laws of the State of Texas governing depositories for the District shall be a part of this Agreement.

ARTICLE XII.
DIRECTOR AUTHORIZATION

The Bank represents and warrants that this Agreement is made pursuant to and is duly authorized by the Board of Directors of the Bank or its Loan Committee, which approval is reflected in the minutes of the Board of Directors of the Bank or its Loan Committee as evidenced in the excerpt of minutes attached hereto as Exhibit C for the Board of Directors of the Bank or Exhibit D for the Loan Committee.

ARTICLE XIII
CHANGE IN DEPOSITS

Except in the event of emergencies that mandate immediate access to the funds, the District will inform Bank of any significant change in the amount or activity of its deposits at Bank not later than 24 hours before the change occurs.

WITNESS the execution hereof this 19th day of August 2026.

"DISTRICT"

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

____
Kevin R. Carr, President
Board of Directors

ATTEST:

____
Bert Cooper, Secretary/Treasurer
Board of Directors

"BANK"

Prosperity Bank

By: ______________________________
Name: ____________________________
Title: ____________________________

ATTEST:

By: ______________________________
Name: ____________________________
Title: ____________________________

"CUSTODIAN"

Federal Home Loan Bank of Dallas,
Irving, Texas

By: ______________________________
Name: ____________________________
Title: ____________________________

ATTEST:

By: ______________________________
Name: ____________________________
Title: ____________________________

EXHIBIT "A"

The following individuals are authorized representatives of the District empowered to direct Prosperity Bank ("Bank") and Federal Home Loan Bank of Dallas, Irving, Texas ("Custodian") selected ;in accordance with Article III of the Depository Pledge Agreement as to collateral pledges, releases and substitutions in the joint safekeeping account as well as authorized to represent and act for the District in any and all matters including execution of agreements and transfer of funds.

Authorized Representative's Signature	Name and Title
______________________________	Alan Fourmentin General Manager
______________________________	Regina Van Dyke Finance Manager

By:

____
Kevin R. Carr, President
Board of Directors

ATTEST:

____
Bert Cooper, Secretary/Treasurer
Board of Directors

EXHIBIT "B"

Prosperity Bank ("Bank") has authorized the officers listed below to instruct Trophy Club Municipal Utility District No. 1 ("District") and Federal Home Loan Bank of Dallas, Irving, Texas, ("Custodian"), selected in accordance with A1iicle III of the Depository Pledge Agreement as to collateral pledges, releases and substitutions in the joint safekeeping account. Such pledges, releases and substitutions shall follow procedures set forth in the Depository Pledge Agreement.

Authorized Officer's Signature	Name and Title
______________________________	Kevin R. Carr Board President
______________________________	Neil Twomey Board Vice President
______________________________	Bert Cooper Board Secretary/Treasurer
______________________________	William C. Rose Director
______________________________	James C. Thomas Director

By: ______________________________

Name: ______________________________

Title: ______________________________

ATTEST:

By: ______________________________

Name: ______________________________

Title: ______________________________

EXHIBIT "C"

CERTIFICATE RELATING TO MINUTES

THE STATE OF TEXAS §

COUNTY OF _____________ §

I, the undersigned Secretary of the Board of Directors (the "Board") of ___________________________________(the "Bank"), hereby ce1tify as follows:

1. The Board convened on the ___ day of____________, 20__, at which ____ members of the Board were present, thus constituting a quorum. Whereupon, among other business, a Depository Pledge Agreement with____________________________________was duly introduced for the consideration of the Board. It was then duly moved and seconded that the Depository Pledge Agreement be approved; and, after due discussion, such motion, carrying with it the approval of such Agreement, prevailed.

2. A true, full, and correct copy of the aforesaid Agreement approved at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Agreement has been duly recorded in said Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the approval of such Agreement; the undersigned is the duly chosen, qualified, and acting Secretary and member of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place, and purpose of such meeting and that such Agreement would be introduced and considered for approval at such meeting and each of such officers and members consented, in advance, to the holding of such meeting for such purpose.

SIGNED AND SEALED the___ day of______________, 2026

____
Secretary, Board of Directors

(SEAL)

EXHIBIT "D"

CERTIFICATE RELATING TO MINUTES

THE STATE OF TEXAS §

COUNTY OF------- §

I, the undersigned Secretary of the Loan Committee (the "Loan Committee") of ________________________________(the "Bank"), hereby certify as follows:

1. The Loa Committee convened on the_day of______________,20__, at which __ members of the Loan Committee were present, thus constituting a quorum. Whereupon, among other business, a Depository Pledge Agreement with ______________________________ was duly introduced for the consideration of the Loan Committee. It was thin duly moved and seconded that the Depository Pledge Agreement be approved; and, after due discussion, such motion, carrying with it the approval of such Agreement, prevailed. '

2. A true, full, and correct copy of the aforesaid Agreement approved at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Agreement has been duly recorded in said Loan Committee's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Loan Committee's minutes of such meeting pertaining to the approval of such Agreement; I am the duly chosen, qualified, and acting Secretary and member of the Loan Committee as indicated therein; each of the officers and members of the Loan Committee was duly and sufficiently notified officially and personally, in advance of the time, place, and purpose of such meeting and that such Agreement would be introduced and considered for approval at such meeting and each of such officers and members consented, in advance, to the holding of such meeting for such purpose.

SIGNED AND SEALED the__ day of____________,20___

____
Secretary, Loan Committee

(SEAL)

EXHIBIT "E"

Bank Depository Bid Proposal

Depository Bid Proposal
Trophy Club Municipal Utility District No. 1
Trophy Club, Texas

1. Term
Prosperity Bank is pleased to present a bid proposal for an available term of a two year period effective October 1, 2026 – September 30, 2028. With the option to extend for (2) one-year extensions.

2. Prosperity Bank's proposed bid allows for bank deposits only.

Interest Bearing Checking Accounts: *Interest would be paid on the net collected balance in your account at our posted NOW account rate as it changes +0.30%. This is a variable rate and is subject to change from time to time.*

Current posted rates:	*Rate*	*0.15%*	*APY*	*0.15%*

Premier Money Market Account: *Interest would be paid on the net collected balance at our posted rates as it changes +.30%. This is a variable rate account and subject to change from time to time.*

Current posted rates:			*Rate*	*APY*
Tier 1	*$0*	*$9,999.99*	*0.30%*	*0.30%*
Tier 2	*$10,000*	*$24,999.99*	*0.55%*	*0.55%*
Tier 3	*$25,000*	*$49,999.99*	*0.80%*	*0.80%*
Tier 4	*$50,000*	*$99,999.99*	*1.20%*	*1.21%*
Tier 5	*$100,000*	*$249,999.99*	*1.70%*	*1.71%*
Tier 6	*$250,000*	*$999,999.99*	*2.45%*	*2.48%*
Tier 7	*$1,000,000...*		*2.70%*	*2.73%*

Certificates of Deposit: Interest rates on Time Deposits will be at a Prosperity Bank CD rate in effect at the time of purchase for like balance and term of the Time Deposit. Prosperity Bank does not offer a 7 to 29 day term Certificate of Deposit option.

Prosperity Bank reserves the right to accept or decline additional depository funds in the aggregate, in excess of $10,000,000.00.

Sweep arrangements between District deposit accounts at Prosperity Bank are an option Prosperity Bank provides. Transaction limitations per banking regulations apply to Money Market and Savings accounts. Prosperity Bank does not provide investment advice. Prosperity Bank does not provide sweep services to overnight or other investments outside of the Bank (such as SEC registered money market mutual fund investments).

3. Collateral:
Prosperity Bank uses Mortgage Back Securities for our Collateral. Federal Home Loan Bank of Dallas is our third party Safekeeping Bank. Prosperity Bank maintains internal controls to monitor and maintain the required collateral. If the District is aware of a large transaction that will significantly increase deposit balances, the District will notify the Bank with one day's advance notice to ensure the timely pledging of additional collateral.

4. Depository Services:
Depository Services will be waived. See attached Fee Schedule for a complete listing of services included.

On-line, Real-time Internet Banking Services

- *Account information inquiry includes current and available balances.*
- *Online statement retrieval*
- *Transaction history download*
- *Schedule "one time" or "recurring" funds transfer between accounts.*
- *Schedule "one time" or "recurring" loan payments.*

Web-based Wire Transfer Origination

- *Set up and initiate "one time" or "recurring" wire transfer instructions through our Internet Banking Product. Single-user, multi-user, and/or dual control authorities are allowed with password and dollar-limit restrictions.*

Web-based ACH Origination

- *Originate electronic payroll deposits or payment drafts through our Internet Banking Product*
- *Import NACHA-ready files from third-party software applications or create payroll or payment databases directly in our products.*

Web-based Bill Pay Services

- *Create accounts payable databases and initiate payments online through our Internet Banking Product.*

Positive Pay Accounting

- *Help prevent unauthorized, stolen or counterfeit checks from paying against your account.*

Remote Deposit Capture

- *Scan checks for deposit and electronically transmit those check deposits to your account.*

We will also provide checks and deposit slips at the discounted bank cost (charged to entity account as pass thru cost only).

5. Overdrafts may be subject to the following:

All accounts are aggregated for overdraft calculation purposes.

a. Overdraft Item Fee – The Overdraft Item Fee will be waived if offsetting collected balances are on deposit in non-interest-bearing deposit accounts.
b. Accrued Interest Adjustment – If offsetting collected balances are maintained in interest-bearing deposit accounts only, the Overdraft Item Fee will be waived, and an interest accrual debit adjustment will be made to the interest-bearing deposit account calculated on the amount and duration of the overdraft.
c. Frequent and Continuous Overdrafts – If overdrafts continue to occur on a frequent basis, Prosperity Bank reserves the right to assess Overdraft Item fees, regardless of compensating balances. Additionally, if an account remains overdrawn for more than one business day, Prosperity Bank reserves the right to assess an Overdraft Interest Charge of which the rate will be equal to the prime rate published in the Wall Street Journal, as it changes.

Outgoing wires sent by the District during the business day will be processed against collected balances only.

6. Contact Information:

Depository officer as a primary contact with the District

Name: Jennifer Jump
Title: Banking Center Manager– Keller Banking Center
Telephone #: 817-378-2210
E-Mail: jennifer.jump@prosperitybankusa.com

FIRST AMENDMENT
TO COMMERCIAL LEASE
(Maintenance Building)

THIS FIRST AMENDMENT TO THE COMMERCIAL LEASE (Maintenance Building) (the "First Amendment") is made and entered into as of the Effective Date by and between Trophy Club Municipal Utility District No. 1, a conservation and reclamation district and political subdivision of the State of Texas created and operating in accordance with Chapters 49 and 54 of the Texas Water Code, as Landlord ("Landlord") and Town of Trophy Club, Texas, a Texas home rule municipality, as Tenant ("Tenant").

RECITALS

WHEREAS, Tenant and Landlord entered into a Commercial Lease (Maintenance Building) (the "Lease") agreement on August 4, 2020; and

WHEREAS, Landlord leases to Tenant the real property and building generally located at 1501 Junction Way, Trophy Club, TX 76262, and more particularly described on **Exhibit A** attached to the Lease (the "Premises"); and

WHEREAS, the Premises also includes plumbing, breakroom, office, and restroom facilities that have been used by the Tenant from the Commencement Date for purposes related to Section 9.1 of the Lease; and

WHEREAS, Landlord and Tenant desire to amend Section 9.1 of the Lease to clarify that the Tenant may utilize the Premises for general municipal operations, which include, but not limited to uses for breakroom, office, and restroom facilities, computer(s), and third-party contractors conducting municipal operations on behalf of the Town; and

WHEREAS, the recitals and all other terms and conditions in the Lease are incorporated into this First Amendment as if fully set forth therein, and defined terms shall have the meaning as assigned to such terms in the Lease, unless otherwise defined herein.

AGREEMENT

NOW, THEREFORE, for an in consideration of the Premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Landlord and Tenant agree as follows:

1. That Section 9.1 only of Section 9 "Use of Premises by Landlord and Tenant" of the Lease is hereby amended and replaced in its entirety as follows:

   "9.1 The Premises may be used by Tenant for storage of materials and equipment and for other functions related to Tenant's municipal operations. The Premises may not be used by any third-party for any purposes unless Tenant utilizes the third-party to operate its municipal function(s)."

2. Except as amended herein, all other terms and conditions of the Lease shall remain in full force and effect. This First Amendment may be executed in any number of counterparts, each of which shall be deemed as original, but all of which together shall constitute one and the same instrument. The execution of this First Amendment may be accomplished by facsimile or electronic signatures and shall be deemed fully executed upon the exchange among the Parties of signed facsimile or electric copies of this First Amendment.

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to be executed by their duly authorized officers and to be effective as of the last date of execution written below (the "Effective Date").

Signature Authority

The undersigned officer and/or agents of the Parties hereto are the property authorized officials and have the necessary authority to execute this First Amendment on behalf of the Parties hereto and each Party hereby certifies to the other than any necessary resolutions extending such authority have been duly passed and are now in full force and effect.

EXECUTED in duplicate original.

TOWN OF TROPHY CLUB, TEXAS

By: ______________________________
Name: Brandon Wright
Title: Town Manager
Date: ______________________________

ATTEST:
By: ______________________________
Name: Tammy Dixon
Title: Town Secretary
Date: ______________________________

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

By: ______________________________
Name: Kevin R. Carr
Title: President
Date: ______________________________

ATTEST:
By: ______________________________
Name: Laurie Slaght
Title: District Secretary
Date: ______________________________

TOWN OF TROPHY CLUB

1 Trophy Wood Drive, Trophy Club, TX 76262 | 682.237.2900 | info@trophyclub.org | trophyclub.org

MEMORANDUM

DATE: April 24, 2026

TO: Trophy Club Municipal Utility District No. 1 Board

CC: Alan Fourmentin, District General Manager
Chase Ellis, Director of Parks & Recreation
Matt Cox, Director of Community Development
Trophy Club Mayor & Town Council

FROM: Brandon Wright, Town Manager BW

SUBJECT: **FOLLOW UP INFORMATION | REQUEST FOR WRITTEN APPROVAL FOR IMPROVEMENTS TO STREETS & PARKS MAINTENANCE BUILDING**

Thank you for your consideration of the Town's request for written approval to make improvements to the Streets & Parks Maintenance Building located at 1501 Junction Way. The purpose of this memorandum is to provide additional details requested during your April Board Meeting to assist in the decision.

Below are additional details regarding the potential scope of improvements, which is provided to clarify the maximum anticipated buildout and renovation parameters associated with this project. Please note that these details provided the maximum scope and dimensions anticipated for the renovation project. The actual scope may be less or have items omitted entirely from the final project.

Proposed Building and Site Improvements (Maximum Scope)

Existing Storage Structure:
- Current: 40 ft x 100 ft
- Potential Expansion (north of current building): up to 60 ft x 70 ft (attached or detached)

Overhead Storage:
- New overhead addition: up to 20 ft x 80 ft (minimum 8 ft clearance)

Break Room/Office Space:
- Current: 20.5 ft x 20 ft
- Potential expansion/renovation: up to 40 ft x 40 ft

Restroom Facilities:
- Current: two small restrooms of 8 ft x 8 ft and 6 ft x 5 ft
- Potential renovation/expansion: up to two 20 ft x 20 ft restrooms or one combined up to 30 ft x 30 ft

Parking and Site Improvements:

- Concrete parking/turnaround expansion: up to 165 ft x 125 ft (north end of property)

Additional Improvement Considerations

In addition to the structural expansions noted above, the Town may undertake the following upgrades and improvements:

- HVAC replacement or upgrade
- Installation of an electric vehicle charging station
- Automatic bay door installation
- Roof repair or replacement
- Electrical, mechanical, and plumbing system upgrades
- Lighting improvements
- Relocation of outdoor material storage bays
- Grading and elevation adjustments

These improvements are consistent with the Town's original request and are intended to enhance operational efficiency, safety, and long-term service delivery. Provided in Exhibit A is a site map depicting the potential storage building expansion area and location of the concrete parking/turnaround area. Please note that these locations are not based on any land survey data and are not intended to be final or approved site plans.

Project Budget and Timeline

- The Town has reserved up to $500,000 for this project. Actual costs will depend on the final scope of work approved by the Town Council.
- Upon District's written approval, the Town will engage an architect, with design anticipated to take up to eight (8) months.
- Construction timing will depend on the final approved scope.

Additional Request for Consideration

As noted in my original correspondence, the Town remains interested in initiating discussions regarding the potential transfer of ownership of the property. Given the level of investment contemplated and the Town's long-term operational use of the facility, aligning ownership with responsibility and capital investment would be beneficial to both parties.

District Access Corridor

During the District's April Board Meeting, the Board requested assurance that the District Access Corridor, as defined in the Agreement Regarding Real Property Matters effective August 4, 2020 ("Agreement"), would not be blocked by the possibility of a building expansion. The Town is not requesting any changes to the current Agreement in regard to preserving the District Access Corridor and will abide by the conditions of the Agreement for any improvements to the property.

Use Modification to the Commercial Lease

During the District's April Board Meeting, the Board questioned if current uses at the property exceed the authorized language in the Commercial Lease effective August 4, 2020 ("Lease"). As noted during the meeting, the Town uses the property primarily for storage and for related employee operations such as restrooms, breakroom, and office space. If the District Board believes the presence of employees in the building may violate the use identified in the contract, below is my recommendation for modifications to Section 9.1 of the Lease to avoid future misunderstandings.

Current Lease:

> 9.1 The Premises may be used by Tenant only for storage of materials and equipment by Tenant related to Tenant's municipal functions. The Premises may not be used by any third party for any purposes.

Recommended Modification to Lease:

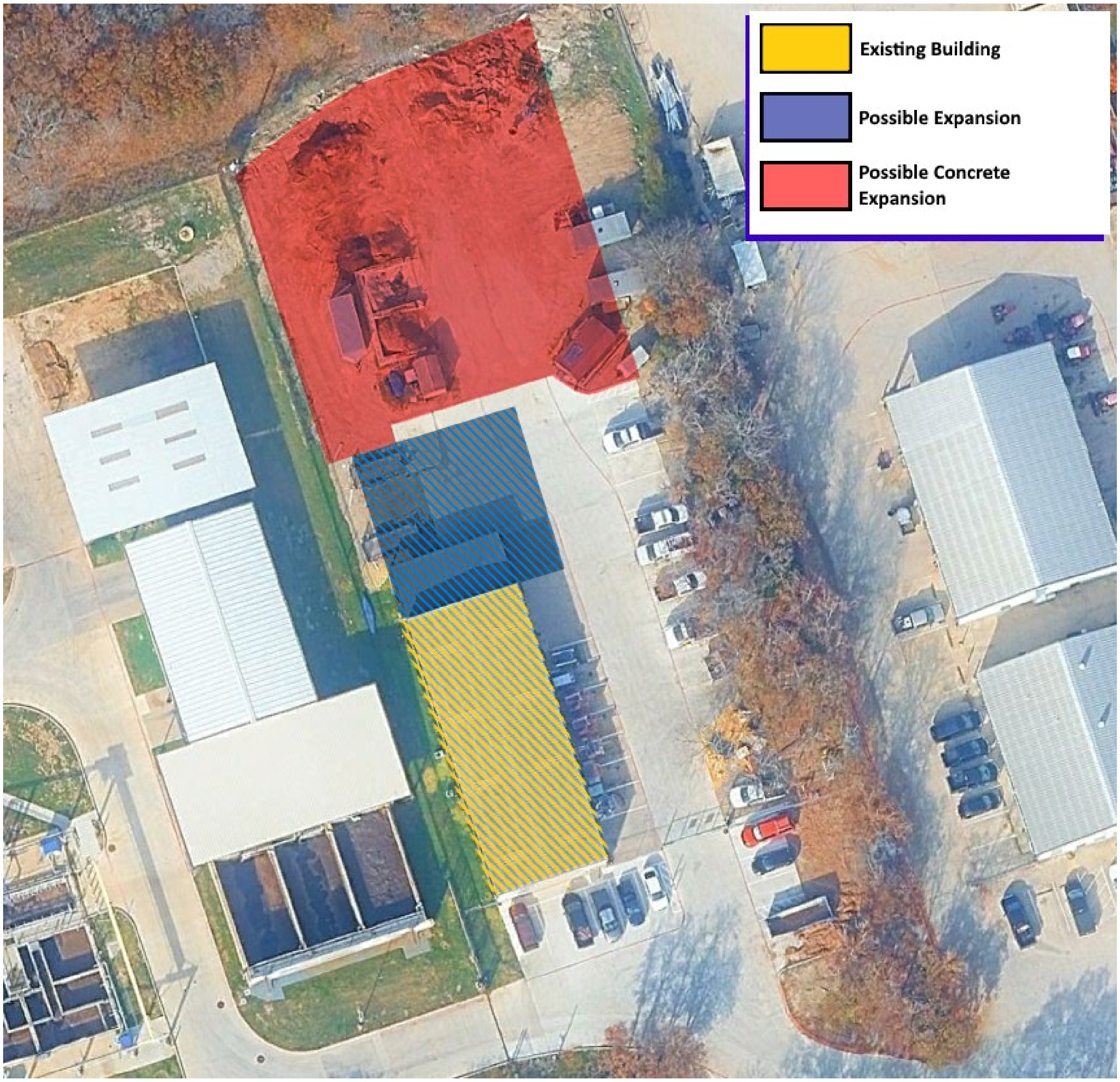
> 9.1 The Premises may be used by Tenant for storage of materials and equipment and for other functions related to Tenant's municipal operations. The Premises may not be used by any third party for any purposes unless Tenant utilizes the third party to operate its municipal function(s).

This change would clarify that the Town uses the property for general municipal operations and may involve third-party contractors conducting municipal operations on behalf of the Town. Please let me know if the District is receptive to these changes and the Town will draft documents for approvals.

The Town values its longstanding partnership with the District and appreciates your continued support of municipal operations and infrastructure. I hope this additional information provides the clarity needed for your consideration.

Exhibit A

Site Map Depicting the Potential Storage Building Expansion Area (blue)
and Location of the Concrete Parking/Turnaround Area (red).



Trophy Club Municipal Utility District No. 1

Laurie Slaght

September 2026

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
36	Aug 30, 2026	31	Sep 1	2	3	4	5
37	6	7 Labor Day - Office Closed	8	9	10	11	12
38	13	14	15	16 Board of Directors Reg	17	18	19
39	20	21	22	23	24	25	26
40	27	28	29	30	Oct 1	2	3

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